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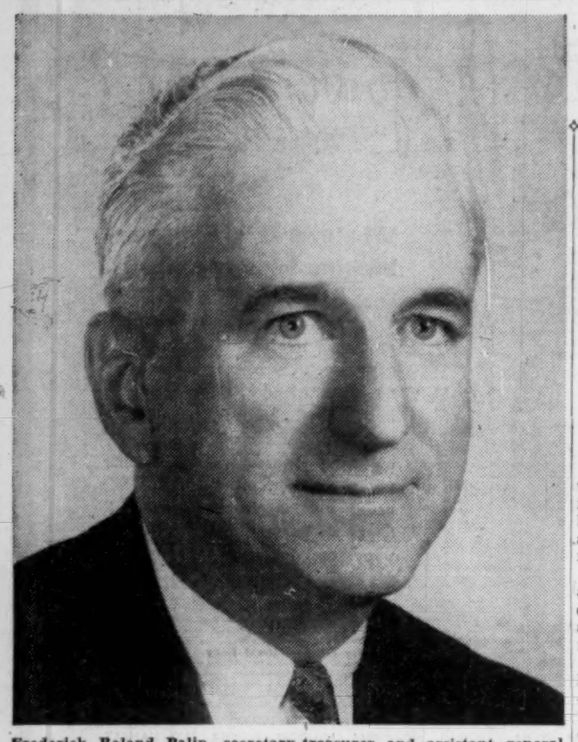
Gas Association Chief



Frederick Roland Palin, secretary-treasurer and assistant general manager of Union Gas Co. of Canada, Chatham, Ont., this week was named the new president of the 49-year-old Canadian Gas Association. Comprised of gas utilities (which together serve over 900,000 customers in Canada) and gas appliance and equipment manufacturers, CGA is planning for the new era when major natural gas pipelines reach waiting markets. *(Personality sketch, p. 6.)*

THE NATION'S BUSINESS

Lopsided Growth

The torrent of U. S. money pouring into our country is largely supporting our current wave of expansion. It is enabling us to do far more than the present financial resources of our own country could support. It is welcome and no one in his senses wants to stop it.

But we should examine what it's doing to us. In this respect the campaign of the house-builders to ease mortgage credit — though synthetic in some ways — serves a useful purpose.

House-building is one sphere of activity in which Canadians have always provided most of their own capital. The industry is being hindered currently because other demands are loading the construction industry to capacity, and the Canadian economy is trying to tackle more than it can physically perform.

By limiting the supply of domestic funds available the Canadian authorities put a justifiable crimp into activities like house-building which are financed in this country.

But what of other industries? When a U. S. company decides whether to open up a new mine or start a new program of oil wildcating it is not bothered about Canadian credit restrictions. It would not have raised its funds here anyway.

The present position is uncomfortable. We dislike the fact that the Canadian government may have to restrain forms of investment which the Canadian public urgently desires simply because it can't restrain forms of investment which suit American investors.

We want foreign capital to develop this country. But we can't properly tell foreign investors what they shall do or where they shall put their money.

So we may find that U. S. capital is presently overexpanding resources here which we think could well wait for another decade or two, while in the general interest we have to restrict expansion in fields like housing, where Canadians want expansion right now.

Here is a dilemma to which there is no simple solution. If we are to attract foreign capital the owners of that capital will do the deciding which Canadian resources they want to develop and when.

But must we lose all control over the balance of our economy? Must we grow like a scrawny youth, all legs and arms, without pausing to put some flesh on our elongated limbs? Are we perhaps too nervous about grabbing every investment dollar right away quick, as though it were now or never?

This is a basic continuing kind of problem for a country like ours. It is vital and very complex. It is something about which we hope the Gordon Royal Commission will have something very sensible to say.

* * *

This Ban Is Out of Date

James Muir, chairman and president of the Royal Bank of Canada, has come home from a trip to the Soviet Union with the opinion that increased trade with the Russians is the key to peace. He found them keen to do business with other countries. He thinks it makes more sense to talk imports and exports with them than to give them political lectures on freeing the satellites.

If this is so — and many other businessmen agree with Mr. Muir, that it is — it's about time the present system of controlling trade with Communist countries is overhauled.

When Britain recently removed its five-year-old rule against the sale of Malayan rubber to China, light was thrown on one of the absurdities of the system. Malayan rubber was moving freely to the Soviet Union and there was nothing to stop the Chinese buying it from the Russians. They could also get rubber from other producing countries that paid no attention to the United Nations ban.

Thus the only practical effect of Britain's restriction was to take business away from the Malayan growers. It didn't hurt Red China; it only hurt the people who were loyal to a UN decision taken six years ago during the Korean War.

The Communists are wrong when they complain that the Western check on strategic exports is the only reason, or the most important one, why East-West trade doesn't flourish. Their own barter system and their strivings for self-sufficiency are as much to blame; but the controls are certainly a factor.

American businessmen keep on trying to drive holes through the Iron Curtain; and keep on running into official roadblocks. For instance, a Texas company wanted to swap its steel alloy oil-drilling bits, with technical information on how they're made, for Russian turbodrills. This Soviet gadget is something the Americans haven't got and have been trying to perfect for 25 years; but the Government squelched the deal. On balance, officials decided, the Russians would get more know-how out of this transaction.

Of course it is strictly the business of the United States, and nobody else's whether American goods of any particular kind are allowed to move to Communist customers abroad. The question is whether the international agreement on the subject is still acceptable to other countries, including Canada.

As the Malayan rubber example shows, the prohibition on strategic materials is sometimes a farce. There is also the question: What is strategic and what isn't? Canada has agreed to sell wheat to Russia; yet everyone knows that food is just as necessary as steel to a nation's morale and fighting power.

The clinching argument, as Mr. Muir suggests, is that if the West proposes to live at peace with the Communists, or live in what's called competitive co-existence anyway, trade might be a useful way to make the peace more binding. Canadian trade with Russia, China and Eastern Europe never was spectacular in volume; but that is no reason for keeping it smaller still by restrictions that hardly make sense.

'To Let' Signs Down Apartment Mart Up

The Major Trend Is Back To Central Areas—Plenty Of Enquiries But Tenants Are Fussier; They Want More Privileges and Frills

By CLIFFORD FOWKE

Apartment vacancy boards which had their first general airing in seven years last winter are back into storage again before a new surge of demand for unfurnished rented accommodation.

Real estate investors and agents, after a somewhat worrying period of changeover from postwar shortage to competitive conditions, are resting easier.

And the surest symptom of health in the business is the spurt of apartment building in some of the main cities which has not yet caught up with 1955 levels but is tagging along close behind. For the first four months of this year, value of contracts awarded for apartment buildings across Canada was about $54 million, just $2 million short of the 1955 total for the same period.

But it is a demand with a difference. As apartment building last year began to catch up with demand, it looked as if most prospective tenants were hanging back waiting for rents to fall. But rents, for the most part have dropped by no more than $10 a month on average and for first-class, new accommodation have maintained late 1954 levels.

As against the situation a year ago, these are some of the new points noted by real estate agents:

- There is no lack of inquiries for vacant accommodation but prospective tenants are being more selective, visiting more suites before they decide to sign a lease.
- They are demanding more in privileges and facilities for their money, and owners are meeting them halfway by way of free TV hook-ups, interior decoration and concessions with regard to children.
- Locality is an important factor. In the bigger cities, there appears to be a trend back to central areas or to suburbs within easy commuting reach of downtown.

One Suite A Day

One of Toronto's major apartment management firms reported 200 inquiries for suites in a new apartment block in two weeks. In another case, a new apartment block of 90 suites was filled in nine weeks from the time the first advertisements appeared. On the average, with a new apartment block in a good locality, the agent estimates that letting is running at the rate of one suite per day.

Apartment blocks up to five years old in good localities are also renting well though not as speedily as new buildings. An important factor appears to be the way in which the owner has kept the property up in maintenance and repair.

The darkest clouds on the real estate horizon hang over apartment buildings dating before 1950, where the owner has not kept it in good repair and up-to-date, or where the locality has deteriorated.

Several agencies report that funds from the U. S. and Europe are flowing in for investment in apartments at a higher than ever level, and Canadian investors are showing increasing readiness to put their money into this type of property. There is a marked increase in the number of small investors who are clubbing together to make joint purchases of new apartment blocks.

Allowing for a 3% to 5% vacancy rate, it's reckoned that average return is in the region of 11% per annum, rising to 14%

(Continued on page 3, col. 4)

Gas Markets Head Skyward From B.C. To Golden Gate

By W. L. DACK

Canada is entering the "gas era." For details on the changes it will make in our economy, see p. 10.

The Peace River natural gas fields are fast becoming one of major energy bets for the entire West Coast area, from B. C. to California.

With construction of the $152 million Westcoast Transmission pipeline just a few months under way, there are already strong indications that all the major utility customers intend to use much more gas than originally planned.

This includes Inland Natural Gas and B. C. Electric Co. in British Columbia; Pacific Northwest Pipe Lines Corp. in the states of Washington, Oregon, Idaho; El Paso Natural Gas in its big California market.

"I see a market for at least 100 million cu. ft. of gas a day more than that already contracted for by the time the Westcoast Transmission line starts operating next fall," El Paso Natural Gas President Paul Kayser told The Financial Post this week.

El Paso — one of the biggest gas pipeline distributors in the fast-expanding California market — is already constructing facilities to enable it to boost deliveries by a further 650 million cu. ft. a day.

Some of this extra gas will come from the Peace River fields via the Westcoast Transmission pipeline and an exchange deal with Pacific Northwest Pipe Lines. Major portion, however, will come from the San Juan Basin area of southern U. S.

"Canadian gas will become a very important factor in the economy of the Canadian and U. S. West Coast areas," Mr. Kayser stated.

This big potential West Coast market — in the U. S. growing about three times as fast as the rest of the country — has been a major factor in the current oil and gas exploration drive in the Peace River area of B. C. and Alberta.

Practically every major petroleum company is represented, either directly, or through associated groups, in the hot exploration program now under way in this spreading territory.

Although close to half of the two dozen or so companies active

(Continued on page 8, col. 6)

Hoarders Buy More Gold And Store It In Canada

By FRANK KAPLAN

Canada—an active and important free market for gold bullion?

That possibility may not be too far away. First signs of a budding market in gold are beginning to appear.

Worried wealth of the world in such far-off corners as Egypt, India, South America and Europe is feeling its way into Canada as a possible place to tuck away a nest-egg in the form of gold.

Some international businessmen have already purchased gold from Canadian producers to be tucked away in safety-deposit boxes of Canadian banks.

Exactly how much money has come to Canada to buy gold for hoarding is anybody's guess. But the traffic has been heavy enough to prompt Canadian mining men to step up studies on how to establish an active market in bullion that may someday rival such centres as London.

And it is known that the purchases have been in substantial amounts. The only way to buy gold from producers right now in Canada is in bar form. And these bars weigh some 400 ounces and cost about $15,000 dollars each.

Ottawa started the march of the worried international barons to Canadian gold producers earlier

(Continued on page 8, col. 8)

Inside

J. B. McGEACHY extends Many Happy Returns ..... p. 7

RAILWAY firemen obsolete on a diesel says CPR ..... p. 39

BETTER DAYS for textiles, writes Jack McArthur .. p. 9

BUDGET SURPLUS seen as sign anti-inflation policy p. 9

BRUCE HUTCHISON writes about the crisis at the grass roots ..... p. 13

WHAT INCOME tax changes mean. Handy guide .... p. 11

NO FEDERAL party got much joy out of provincial elections, says Michael Barkway . p. 14

N. Ontario Contract Boost For Gasline

The second major gas sales contract to be completed since Trans-Canada Pipe Lines received Ottawa's construction go-ahead signal a couple of weeks ago, was signed this week. Together the long-term contracts represent a gross 20-year revenue to Trans-Canada of some $525 million.

First contract, with Union Gas Co. of Canada, involves maximum sales of up to 64 billion cu. ft. of gas annually (see article p. 5), and represents gross revenue to Trans-Canada over the term of the 20-year contract of some $300 million. (FP, June 16).

This week Northern Ontario Gas Co. signed the second major long-term gas contract with

(Continued on page 8, col. 5)

A WHEAT FORECAST

Big Sales, Big Crop Pep Prairie Spirits

Canada's government grain marketers could heave a sigh of deep relief this week as they contemplated our flood of wheat exports and a new farm optimism which is brightening Prairie business.

But they're not out of the woods yet.

There's every chance a bumper wheat crop this fall will pose new wheat surplus problems for officials of the Canadian Wheat Board and the Federal Government charged with administering grain selling policy.

By GORDON L. SMITH

WINNIPEG — Only a fool, it is said, would attempt to guess at the size of the western grain crop before the middle of June.

But by the end of that critical month even the wary begin to speak with confidence. And this year they are now predicting quite freely that the West could harvest a big crop this fall.

The crop isn't home-free yet, of course, largely because of the moisture deficiencies in some areas.

Until the combines make their last rounds some time in September, there is always a chance of loss. Hail, grasshoppers, rust and frost can cause damage. An extremely early winter like that of a few years ago, which prevented harvesting, could be disastrous. But those risks are regional or unusual.

The major hurdle has always been the moisture supply during the first six weeks of growth, normally from the end of May to the beginning of July.

It doesn't make too much difference how dry it is before that period or afterward. Given moisture then and not too much blistering heat, a good crop is as certain as any farm venture can be certain. One shower in June, an experienced observer will tell you, is worth a dozen heavy rains in July or August.

This year, notwithstanding record snows last winter, spring subsoil moisture was light. Practically all the snow melted and ran off the frozen ground without penetrating.

In addition, seeding was late, 10 days to three weeks behind what was once considered the normal season. But thanks to power machinery, once the weather turned favorable the seed went into the ground at a record clip, and germinated quickly before surface moisture had evaporated. Overnight the general crop feeling swung from pessimistic to optimistic.

Then came the critical weeks of mid-June.

In many areas just when rain was beginning to be urgently needed, rain fell. In Manitoba and Alberta there was almost too

(Continued on page 8, col. 6)

Pressure on Prices Continues to Mount

Mid-Year Investment Intensions Will Show Increase Over First Of The Year—Here's Why And How Ottawa Will Continue Inflation Fight

By MICHAEL BARKWAY

OTTAWA (Staff)—Current attacks on the monetary policies of the Government and the Bank of Canada have come too late to make much impact. At almost any time up to the last few weeks there would have been some people in official quarters ready to agree that the economic trend might switch either way. As it is, expert and official opinion is newly united in supporting the need for a strict anti-inflationary policy.

It is only within the last month or two that the experts have spoken with one voice about the inflationary danger. Certainly two months ago, and possibly one month ago, you could have found influential voices here talking about the possibility of a U.S. decline in the third quarter which might ease the pace here too.

Today practically nobody believes in a U.S. recession. Even the most pessimistic say it will be no more than a levelling-out which won't have any perceptible effect on the Canadian boom.

Here are accounts of today's Ottawa thinking on credit policy in general, and on the particular problem of housing which has sparked much of the current discussion:—

New Magnetometer Canadian Advance For Geo-Phys Year

A young Canadian's invention will place Canada in the forefront of 1957's world-wide International Geophysical Year studies.

Called the Station Magnetometer, it has been designed by 31-year-old Dr. Paul Serson of the Dominion Observatory, and built by PSC Applied Research, Toronto.

Ten have been ordered by the Government, at a cost of approximately $1,600 each, for Canada's IGY contribution research into the earth's magnetic field.

The magnetometer, the outcome of six years' work, is claimed to be the first instrument to give continuous, visual recording of the magnetic field. Improved long-range radio communication will be a direct benefit from its use, says Dr. Serson. Indirectly, it is expected to aid weather forecasting, air navigation and iron ore prospecting.

It is likely to be used at auroral recording stations in conjunction with another instrument developed by Dr. D. Hunten, University of Saskatchewan.

Canadian demand for the limited supply of labor and materials shows no sign of slackening, and some signs of increasing, according to the latest consensus of expert officialdom. Mid-year revision of the 1956 survey of investment intentions will show some increase even over the $7.5 billion program planned at the start of the year, which was 21% higher than last year. (Details will be published in a few weeks.)

Monetary and credit policy is directed more wholeheartedly than ever toward trying to check excessive activity which could lead only to shortages and higher prices.

While some sections of the public are complaining about the present shortage of credit, the Bank of Canada is coming under more expert criticism for being too lax rather than too rigid.

The total money supply expanded by only 5% between mid-June 1955 and mid-June this year, but the active funds available for personal spending and business expansion have increased far more. The total of loans by the chartered banks for active use (including mortgages, junior governments and business) is 28% higher than a year ago. (See table on page 3.)

This is the phenomenon to which Governor Coyne of the Bank of Canada referred in his speech to the Investment Dealers' Association last week. He called it "the activation of inactive deposits"; and it clearly accounts for a good part of the extra funds which are available to finance this year's projects.

So the monetary authorities are being damned if they do and damned if they don't: for keeping money too tight, and for leaving it too easy.

1. Should credit be further restricted? The argument in favor of damping down Canadian activity yet more is that this country is already trying to expand too fast for its own good. The argument is taken seriously by experts on two grounds:—

In the short run we are in danger of inflation on the strictest classical pattern. We are trying to do more, all in one year, than we have either labor or materials for. The result, if unchecked, must be to create shortages and drive up prices.

In the long run we are trying to exploit the precious heritage of nature on an unreasoning "get-rich-quick" basis. We want to open up this year or next year resources which have been waiting for centuries. "Of course, go on opening them up," say the proponents of this school, "But do it with moderation. Take a reasonable pace of development. Leave something for future years."

Both these arguments for trying to damp down the present fever of expansion are taken with full seriousness by the authorities. But as soon as the case is stated, we run into this peculiarly Canadian dilemma:—

The orthodox way of really squeezing credit (instead of mere-

(Continued on page 3, col. 1)

"Variable" Annuities Clash Major Insurance Test Case

By DALTON ROBERTSON

For a digest of the cases for and against variable annuities, see p. 17.

In the New Jersey Senate, the world's largest life insurance company, Metropolitan Life, clashed with the world's second largest, Prudential of America. The issue — perhaps to be decided this week — is "variable" annuities.

Variable annuities are a new type which have been under discussion for some time, with Prudential as their biggest proponent. Under the plan, premiums would be invested in stocks, and annuity payments to the retired annuitants would fluctuate with earnings of their stock holdings.

Reverberations of the debate are sounding throughout the conservative insurance industry in both Canada and the U. S.

- One side contends that the life companies should "meet the challenge of inflation" with annuity payments tied to the stock market.
- The other says the life companies should continue to offer "guaranteed dollar/returns" regardless of whether the economy is in a boom or a bust.

Disposition by the New Jersey Senate of the three bills which would make variable annuities legal, is regarded by the industry as a major test for the new annuities. Industry observers feel that if the bills are approved, it may spark a revolution in the insurance business on this continent.

Insurance men expect the New Jersey bills will be reported out by the Senate's standing committee on business affairs late this week, and there is speculation that they could be debated and voted upon before the weekend.

In backing the legislative amendments which would make it possible for life companies to sell variable annuities, Prudential's president, Carrol M. Shanks, told the committee that his company's advocacy of variable annuities "stems from the dilemma of many persons now retired on an individual or group pension plan."

Destroys Foundation?

However, Frederic W. Ecker, president of Metropolitan Life, claimed that the variable annuity destroys the very foundation of the insurance business—guaranteed dollar returns contracted for at the time of initial purchase.

In the last 50 years stock market drops have ranged up to 90% and at least six times the drop has been 40% or more, Ecker said. "Those who are dependent upon variable income contracts for their support are certain to be hurt."

Ecker regards variable annui-

(Continued on page 8, col. 7)

THE SIGNS AND PORTENTS

ANOTHER BIG WHEAT crop is in prospect for Western Canada. Seeding was late, but growth has been exceptionally rapid; favorable weather in the next 10 days can be the key. Moisture still light in some areas, particularly Saskatchewan, but timely rains, no blistering heat prevented serious deterioration.

* * *

JAPAN IS LIKELY to turn to Britain for commercial atomic power know - how. Reasons: Power-short (like Japan) U. K. is offering hot sales pitches about its coal-competitive, insurable reactor while the U. S. offers only go-slow advice.

* * *

YOUR DRINKS in bars will taste better shortly. A new ingredient to be made from cranberries boosts the original flavor. The same bucker-up will soon be tested for use in non-alcoholic beverages, salads, sherbets and pies. Expect it in your grocery store in about 18 months.

WATCH GAS GO on the west coast. Pipeline won't be ready until the fall of '57, but already there's talk demand will exceed its capacity. And in anticipation, oil and gas companies are pushing the search for reserves in northern B. C., Peace River.

* * *

YOUR JETLINER flights of the future will be controlled within yards before the plane even takes off. Right now, two planes approaching each other at 600 mph can't avoid a head-on collision unless the pilots spot each other at least a mile away.

* * *

HUMAN MATHEMATICS of super-speed, 600-mph collisions:
—Seeing, 1/10 sec. (88 ft.)
—Recognition, ½ sec. (440 ft.)
—Decision, 2 sec. (1,760 ft.)
—Action, 2/5 sec. (352 ft.)
—Total for each plane: 3 sec. (2,640 ft.)
Almost unbelievably, a jet bomber on a clear day recently turned, saw three oncoming jet bombers (there were six), shot through the formation unseen, missed the first's nose, flew under the second, knocked the top of the tail off the third which didn't know it had been hit.

* * *

IODINE USED for children's cuts will be replaced soon by a non-poisonous solution just as good. It won't sting either.

* * *

A QUOTE WORTH noting: "Behind every advance of the human race is a germ of creation growing in the mind of some lone individual, an individual whose dreams waken him in the night while others lie asleep."—Crawford Greenewalt, president, E. I. du Pont de Nemours & Co.

* * *

PRICE OF a dozen blue roses? Maybe $100. First step toward making them has been taken. A scientist has mutated white carnations from red by radiation, patented the process.

* * *

IF YOUR WIFE buys a colored refrigerator, she'll get tired of it sooner — in seven years instead of the 11 she needs for white. And if she does buy, odds are two to five she'll redecorate the whole kitchen. Be prepared to shell out for both within three years, if you haven't already, according to growth statistics.

* * *

A PINHEAD - SIZE microphone inserted into the heart will find the exact location of cardiac trouble. Its barium titanate element converts sound energy to electrical energy (like the telephone) which is tape-recorded and amplified.

* * *

CANADIANS WILL BUY 1,000 color TV sets in last six months of this year, predicts RCA. Current price: around $800.

Stock Market Highlights

Industrials

Canadian industrial stocks continue creeping advance although climb has yet to reach proportions of traditional summer rally, say analysts. Rally, they maintain, has occurred every summer in past 40 years. Gains over past month about 1% over all. For details on some of the stocks that moved, see page 4.

Managers of the **MacNab** and **Compton** investment accounts review progress and standing of the portfolios. See page 23.

Mines and Oils

Arcadia Nickel a standout among generally easier nickel-copper group as it climbs slightly to $2.26 active trade. Rumors circulating of pending $1 million financing deal. Gain is 20c on week.

Belcher Mining spurts ahead almost 20c in single session to about $2.20 as company reports high-grade copper intersection under its magnetite deposits.

Consolidated West Petroleum hits new high at $13½ with jump of $1¼ in single session. Results expected shortly from one of four development gas wells drilling.

Can-Met adds 15c at $2.30 on the week as $18 million of financing completed to bring Blind River uranium property into production.

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Vancouver, British Columbia

Trend of Business

Economy blasting forward at a rate that's surprising even the optimists. First quarter Gross National Product reaches record annual rate of $28.3 billions. This continuation of an 18-month-long trend means: first quarter GNP is 3% higher than fourth quarter last year; 11.7% ahead of first quarter a year ago; 6% above annual average for full year 1955.

Pacing this advance — in which price increases account for an almost negligible part — were output gains in mining, forestry, construction, transportation and other service industries. Manufacturing production remained relatively unchanged from the high points of the fourth quarter, although within this group durables declined moderately while non-durables advanced.

It's business, rather than the consumer whose big demands are pushing production to new peaks. Late last year the major stimulus to the economy came from consumer expenditures, exports and housing outlays. Now business investment is providing the push — and is bringing price increases in investment type goods, a change in imports which emphasizes heavy goods, and inventory stockpiling.

What about this inventory build-up? In first three months, inventories increased at an annual rate of $1.2 billion, up sharply from fourth quarter increase of $500 millions. Total is about $8 billions. Heaviest build-up since early 1951. But federal officials say it's not out of line with bigger sales turnover. Most additions took place in fast-growing metal-using industries and at wholesale outlets for heavy machinery and household items. Could mean, say some, that a brisker business pace is expected.

On the income side the picture's pretty bright. Wages and salaries are up about 2% from the last months of '55. Corporation profits while leveling off are an impressive 25% higher than a year earlier and 10% above the average for full year 1955. Interest and net rental incomes also up.

Railway car loadings continue steady upward march. During first week of this month loadings were running 7.9% higher than a year before. Preliminary estimates show year to year advance in the second week is 11%. This means year to date railway shipments are 12% higher in volume than during first half of last year. Bigger loadings of grain, coal, iron ore and iron and steel products are setting the pace.

No let-up in industrial production through April. When industry's output was added up for a cross-Canada total at month end, the index of industrial production registered 278.5 for a 7.4% gain over April '55. Biggest per cent increase — mining, up 18.4%. Manufacturing as a whole rose 6.7%; nondurables + 6.2%, durables + 7.3%.

Wheat exports up during May and first five months. Shipments abroad more than doubled in volume during May and almost doubled in value compared to a year earlier. First five-month wheat exports are up 51% in volume (114.2 million bu.) and 42% in value ($191.7 millions) as against same period in '55. Wheat flour exports off slightly in volume and value both during the month and in the January-April period.

With more and more air-minded travelers, Canada's airlines were able to close books on their fifth successive surplus year. Companies carried more than 2.7 million passengers last year, 17% more than the year before. In spite of a 33% jump in expenses, operating income came to more than $6.1 millions, sharply higher than the $1.8 million reported in 1954.

A look at the trend in dividends. June payments are likely to be 1.5% higher than those of May — and 13.9% higher than a year ago. Nesbitt Thomson & Co., index for the month stands at 301.5. This index (1935-39 = 100) is designed to measure the general trend in industrial mining, commercial, utility and banking organizations.

Heavy foreign buying of Canadian securities — and it spells a capital inflow that goes a good way toward paying for our growing commodity imports. Sales abroad of new Canadian issues during the first quarter (85% of them provincial government issues) topped $105 millions, several times larger than in the last three quarters and about the same as first quarter last year. Net result of all transactions: capital inflow of $88 millions.

Major Weekly Indicators

	Latest Week	Week Ago	Month Ago	Year Ago
Department sales (% ch. from year earlier)	+11.5%	+9.4%	+9.3%	+4%
Carloading totals (cars)	91,703	145,402*	86,126	84,960
Eastern Canada (cars)	59,477	94,023*	55,074	56,509
Western Canada (cars)	32,226	51,379*	31,052	28,451
Iron & Steel (mfd.) (cars)	1,570	2,353*	1,620	1,238
Ores, concentrate (cars)	9,618	15,694*	7,329	8,623
Base metals (cars)	680	1,211*	607	616
Lumber, timber, plywood (cars)	4,891	7,190*	3,904	5,262
Cement	1,279	2,477*	1,330	1,175
Passenger car prod. (no.)	10,400	9,582	6,642	9,083
Truck production (no.)	2,493	2,607	2,162	2,242
Bus. failures 4-wk. moving av. (no.)	26.5	27.4	26.0	21.0
Chartered Bank				
Personal savings ($ millions)	5,856	5,876	5,852	5,525
Loans outstanding ($ millions)	5,342	5,344	5,238	4,192
N.H.A. mtge. holdings ($ millions)	383	379	368	138
Bank of Canada holdings of securities ($ millions)	2,380	2,356	2,309	2,233
Short-term govern. ($ millions)	1,090	1,092	1,066	1,381
Long-term govern. ($ millions)	1,241	1,215	1,194	815
Other Securities ($ millions)	37	37	37	37
Canadian dollar (U.S. cents aver.)	101.600	101.536	100.994	101.671
T.S.E. industrial index	460.78	453.06	449.31	411.10
Dom. Bonds yield index ('35-'39=100)	111.3	.....	115.5	95.4
Yield 114 stocks	4.59%	4.62%	4.61%	4.26%
Bank Clearings				
Montreal ($ millions)	774	739	604	607
Toronto ($ millions)	971	834	948	749

*10-day end of month total.

Facts by the Month

	LATEST MONTH AVAILABLE	One Month Previous	Two Months Previous	One Year Previous
WHAT WE PRODUCE—				
*In all industries (Index)	278.5	277.2	266.5	259.2
*In factories (Index)	268.8	282.3	269.7	268.8
*Total nondurable goods (Index)	246.1	242.0	233.1	231.8
Food & bev. (Index)	218.6	199.4	193.4	200.4
Textiles (Index)	209.7	198.3	179.0	196.1
Clothing (Index)	168.9	165.3	156.6	154.0
Chemical products (Index)	300.7	291.3	289.2	284.0
*Total durable goods (Index)	330.7	343.4	327.0	326.8
Iron & steel products (Index)	330.2	328.4	306.0	271.5
Primary iron & steel (Index)	437.0	425.8	391.5	336.2
*From mines (Index)	262.6	249.7	244.6	262.6
Metals (Index)	136.3	130.3	130.1	126.6
Nonferrous smelting, refining (Index)	238.9	224.2	220.6	262.3
Gold (Index)	111.4	105.8	104.0	104.0
—From farms				
Hogs graded (000)	590	449	493	536
Cattle delivered (000)	160	129	142	149
Flour (Index)	139.3	135.7	129.5	149.2
—From sea				
E. Coast catch ($000)	3,218	1,796	2,008	3,536
W. Coast catch ($000)	307	1,152	2,287	407
—From forests				
*Newsprint (000 tons)	551	518	553	521
Pulp (000 tons)	843	818	866	786
—In powerhouses				
Electricity (Index) (seasonally adjusted)	297.2	285.4	286.7	297.9
WHAT WE SELL—				
Retail sales ($ millions)	1,107	1,045	864	1,101
Dept. store sales ($ millions)	98	94	75	90
Wholesale sales ($ millions)	638	654	528	546
Mfrs. outstdg. orders ($ millions)*	2,798	2,859	2,698	2,539
Pass. car sales (units)	58,397	36,551	23,267	53,911
WHAT'S ON HAND—				
Mfrs. inventories ($ millions)*	4,393	4,359	4,280	4,149
Dept. store stock sales ratio	2.9	2.6	3.1	2.8
SPENDING, SAVING POWER—				
Labor income ($ millions)	1,093	1,080	1,125	996
*Dividend payments (Index) (annual rate)	301.5	297.0	294.5	264.6
JOBS—				
Persons with jobs (000)	5,499	5,326	5,241	5,324
Jobless seeking work (000)	165	257	295	213
*Do. (% of labor force)	2.9%	4.4%	5.3%	3.8%
CONSTRUCTION—				
Contract awards ($ millions)	321	224	281	290
FOREIGN TRADE—				
Exports ($ millions)	388	333	353	340
Imports ($ millions)	532	466	407	382
MONEY—				
Money supply ($ millions)	5,380	5,695	5,791	5,347
Cheques cashed ($ millions)	16,383	14,670	15,198	12,889
Life insurance sales ($ millions)	273	247	272	240
Notice deposits ($ millions)	6,257	6,197	6,154	5,972
Current public loans ($ millions)	4,962	4,901	4,889	3,979
PRICES—				
Consumer price (Index)	116.6	116.6	116.4	116.4

*New indices with dollar value replacing index numbers.

Index based: production wholesale sales 1935-39=100; consumer price index, 1949=100; manufacturers' inventories outstanding orders Dec. 1952=100.

STRATEGIC MATERIALS—Production and Supply—

	Latest Month	Month yr. ago	Yr. to date	% chge. yr. to date
Steel ingots and castings (000 tons)	434	361	1,709	+23.5%
Primary copper (000 tons)	32	27	99	+13.1%
Nickel (000 tons)	15	15	48	+5.0%
*Cement (000 bbls.)	2,486	1,675	8,343	+21%
Lumber (millions fbm.)	690	724	1,908	—3.5%
Lumber exports (millions fbm.)	322	367	937	—9.7%

*New item this week.

Date of issue for your file, The Financial Post, June 30, 1956.

DR. MURRAY G. ROSS

has been appointed executive assistant to the president of the University of Toronto; for the past five years has been professor at the School of Social Work.

Starting Sask.'s First Distillery

From Our Own Correspondent

REGINA—Construction of Saskatchewan's first distillery will start shortly in Moose Jaw.

The distillery will be built at a cost of $2 million by the newly incorporated Signet Distilleries Ltd. which plans public financing.

Products will include industrial and pharmaceutical alcohol as well as gin, vodka, scotch and rye. Plant capacity will be 1.2 million gallons a year.

Mash for use as cattle feed will be an important by-product, the company claims.

Equipment will be constructed in the U. S. The building will be brick and steel with open-face glass windows. The plant will cover about 13 acres on a 30-acre site just west of Moose Jaw.

About 75 permanent workers will be employed and more than 300 part-time workers.

Officers of Signet Distilleries are: N. C. Currel, Moose Jaw, president; Eugene H. Berquist, Red Deer, Alta., vice-president; and R. L. Abran, Calgary, secretary-treasurer. Mr. Currel and Mr. Abran are oil men, while Mr. Berquist is a contractor.

Directorate includes: T. F. Stetson, Edmonton contractor; J. C. Geddis, Semans, Sask., farmer; Dr. J. B. Wall, Saskatoon dentist; and V. S. Buckler, Winnipeg contractor.

Primary market will be in Western Canada and the north-central U. S.

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Tariff Cut Boosts Aluminium Earn.

MONTREAL (Staff)—The reduction in the U.S. tariff on aluminum (FP, June 16) adds a potential $625,000 after taxes to annual earnings of Aluminium Ltd., based on current exports of about 250,000 tons of ingot to the U.S. from Canada.

Aluminium's net profit in 1955 was $48 millions, or $4.83 a share.

The tariff concession amounts to ¼ of 1c lb. spread over three years including 1/10 of 1c this year, a like amount the following year and five mills in 1958. On the basis of ¼ of 1c, and shipments of Alcan ingot this year to the U. S. of 250,000 tons or 500 million lb. it adds up to $1,250,000 extra revenue annually or about $625,000 after taxes.

The new rate for this year produces additional earnings of about $500,000 annually before taxes or some $250,000 after taxes.

At the end of two years when the final five mills of the ¼ of 1c concession is conceded, there will still be a 1¼c lb. tariff against Canadian ingot into the U.S. market.

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IS YOUR ADVERTISING MAKING SALES FOR YOUR COMPETITOR?

The following quote shows what can happen when an advertiser fails to tell where his product can be purchased:

CASE #1

"About two months ago you had a large ad inserted in your paper.

"I have been haunting stores and warehouses in this city, and no one ever heard of the product advertised. Will you please contact the manufacturer and ask where I can get the product without too much trouble. I want to try it out and see if it is any better than some other types which are on the market."

An important aspect of this quote is that the woman who said it is an exception to the rule. **In nine cases out of ten, when a customer is unable to obtain the advertised brand in the store or stores he visits as a result of having seen a national ad—the customer is sold another product—usually competitive.**

CASE #2

Here is another case where including the "where to buy" in a national campaign would have shown up poor distribution **before** it was too late:

After a national campaign failed to bring satisfactory results, a newspaper advertising manager was asked to make a store check for the national advertiser. He found **of 44 stores contacted—39 did not carry the advertiser's product—of the 5 who did, only 3 carried a complete line and reported good sales.**

The files of the CDNPA are filled with typical case histories which prove the supreme importance of stating WHERE to buy, either by listing dealer names, or by hookers*.

*A hooker gives a retailer's name and address and is voluntarily appended by him to a manufacturer's advertisement.

EFFECTIVE ADVERTISING *must* tell *"where to buy"*

Let the advertising managers of the papers you employ help you avoid mistakes like this. Let them show you how easy it is—through dealer lists or hookers*—to pinpoint the stores which carry your product. This will enable you to overcome weak spots in your distribution chain *and* get immediate and traceable sales results.

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Pressure on Prices Continues to Mount

(Continued from page 1)

ly checking its expansion, as has been done so far) would be to drive the banks' cash supply down by market operations. This would mean raising interest rates further.

But Canada's trouble is that any further increase in interest rates will only attract yet more U. S. capital. Already, in spite of an unprecedented deficit on current transactions, enough capital is coming in to raise the value of our dollar.

From being less than one-eighth under par early in the year, it has appreciated till the U. S. dollar was worth only around 98¼ this week.

In face of the level of imports and the deficit on freight and tourist transactions, this indicates a capital inflow in amounts that Canada has scarcely contemplated before.

Every indication is that the first quarter record inflow of $345 millions must have been far exceeded in the second quarter.

Apart from the imponderable questions of control which this capital influx raises, the monetary authorities have to face this immediate problem:—

—If Canada tries to take the excessive pressure out of its own economy by squeezing credit, it may only drive the exchange value of the dollar even higher. That in turn will attract even more imports. Finally, if you press the process too far, we might be merely driving Canadian manufacturers out of business and creating unemployment everywhere except in the simple resources and service industries.

No one has yet suggested that this should be the aim of Canadian policy.

2. Should credit be eased? All authorities agree that at a time of booming demand like this it can only be inflationary to have too much money chasing too few goods or too little labor. It would be no kindness to Canadians in the long run to let everybody borrow as much money as he wanted, because the borrowers would only find that they couldn't get the materials or labor they needed without paying an excessive price to get them away from somebody else.

The influx of foreign capital does at least enable us to buy materials, components, machinery and equipment abroad, and thus to ease shortages which would otherwise probably be disastrous. But it doesn't provide any extra labor; and there are limits even to the materials we can import. A good many contractors are already feeling those limits, notably in structural steel and cement.

There must be businesses—the housebuilders are the most vocal, but there must also be others—which can't get all the funds they want. Monetary policy, as such, can make no distinctions between them. It can only limit the total credit supply. Then it is for the lenders to allocate the available funds according to their best judgment.

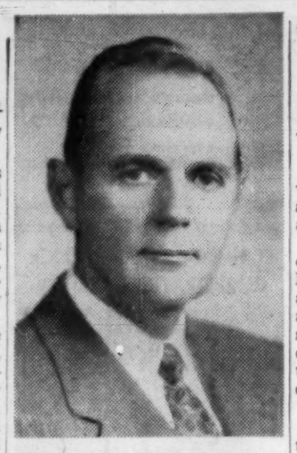
The only other way of handling the situation is for the Government to establish a selective control over lending: to say, in effect, X shall have funds, Y shall not.

The present Government doesn't want to do that. But one warning does come from the highest financial authorities. It is this:—

The over-all, free-enterprise way of holding inflation in check requires responsibility and wisdom on the part of free-enterprisers who operate it.

For example, if the chartered banks are to be the vehicle for channeling the people's savings into desirable forms of investment like mortgages, then it is vital that the banks shall maintain some consistency of policy. They can't turn the funds off or on according to whim. The standard of selectivity will naturally vary, but it must be applied across the board. Housing can't take all the squeeze; mortgages must be judged by the same standards as other loans.

One or two of the banks have aroused censure in government circles — not so much for what they have actually done as for what they have announced they would do. (See story on Housing.)



WILBURN T. ASKEW

has been elected president of Sun Oil Co. of Canada.

MONEY AND CREDIT: 1955-1956

A Comparison between the position on June 13, 1956 and June 15, 1955.

	This Year	Last Year	Change	Change %
	($ millions)			(%)
Total money supply *	11,395	10,849	+546	+5
Total bank loans †	6,722	5,251	+1,471	+28
Bank holdings of govt. securities ‡	2,668	3,635	—967	—27

*Notes circulating outside the banking system plus total bank deposits less float.
†Loans in Canada (exc. day-to-day), provincial, municipal and corporate securities and insured mortgages.
‡Including Treasury Bills. (The total figure makes clear that the new "liquidity ratio" is not holding excessive funds in government securities).

Why Ottawa Isn't Worried About Slowdown in Housing

OTTAWA (Staff)—On the record to date no one in the Government is going to worry about the housing program for quite a while yet.

The annual rate of starts reached in the second quarter of this year was just over 120,000. That's less than the first quarter rate of 134,000, and a sharp reduction from the annual rate of 155,000 which was reached at the peak of last fall.

But it's a rate which satifies the informed as being fully up to the country's urgent needs and perhaps about as high as we can go in view of the other tremendous demands on the construction industry.

The Government isn't anxious about this summer's activity. It would be worried if it foresaw a sharp drop off in the fall, because that would curtail the carry-over into next year. And, without striving to catch last year's record, Ottawa is concerned to maintain a good program next year as well as this year.

This is the situation which the authorities will be watching. But it is still hoped that it will not be necessary for Central Mortgage & Housing Corp. to get into the business of mortgage lending any more directly. This is up to the lending institutions, including the chartered banks.

Volume of New Mortgages

Clearest official figures available here show applications to CMHC for undertakings to insure new mortgages under the National Housing Act. Currently these applications are running at about 1,600 a week. This is about 20% below the level of a year ago. It is not considered a significant drop, in view of the over-all economic situation; and there has so far been no sign that lending institutions are suddenly clamping down on new commitments. (Details of the latest figures are given below.)

Speaking broadly the latest evidence suggests that the new housing starts will be maintained through July and August at the same sort of rate as in the first half of the year. Since they are coupled with a higher rate of completions, it is still considered a very good over-all program.

Confirmation of this view is found in the comparison between the rate of housing completions and the rate of new family formations. Last year three new houses were completed for every two new families. The proportion is expected to be slightly higher this year.

The current campaign of the house-builders' association for easier money is attributed here mainly to three factors:— the smaller, newer builders; the chartered banks; and the shortage of serviced land.

Selective Lending

1. When the demand for new credit from all sources outruns what can prudently be made available, it is stated, then the lenders — both banks and others — have to become selective. The firm with the greatest experience and the biggest investment tends to be favored above the smaller firm which is relatively new to the field.

This is, in part, what is believed to have happened. Some of the little builders, many of whom have got into the field only in the last couple of years, are the ones who are really feeling the pinch, it is believed. Public Works Minister Winters appeared to be thinking of them when he told the House of Commons: "Government-guaranteed loans are not available as of right to everybody who asks for them. It is a matter of the banks and lending institutions awarding credit on the same selective basis as applies for other industrial and commercial activities."

2. One or two of the chartered banks are believed to have contributed to the complaints about shortage of mortgage funds by announcing, with various degrees of publicity, that they would undertake no more mortgage lending. In fact funds from the banks have never dried up altogether. The Bank of Montreal has led the way, it is understood, in maintaining a consistent policy.

Government quarters now believe — and certainly hope — that most of the banks are getting back into the mortgage business "on the same selective basis as applies to other industrial and commercial activities." No government authority asks for more than that.

3. The shortage of serviced land is known to be a serious handicap to new starts in many centres, as shown in The Post survey last week. Responsibility for this lies primarily with the local authorities, which have many onerous capital requirements to meet. It is acknowledged here that some of the requirements may have to be deferred: that is the result of the huge capital expansion program Canada has undertaken. There is no reason why housing should be penalized more than anything else; but equally Ottawa doesn't feel bound to favor it over other important projects.

RATE OF APPLICATIONS FOR INSURED MORTGAGE LOANS

Cumulative totals from Jan. 1 up 59:

	1955	1956	Decline 1956-55
End March	10,283	7,688	25%
End April	16,574	13,284	19%
End May	24,190	19,311	20%
Mid June	30,010	24,104	20%

Note: These requests to CMHC to insure new housing loans under N.H.A. are made only after loan arrangements have been completed between borrower and lending institution. They are earliest official indication of rate of new loans, and they show that rate of mortgage lending in second quarter this year shows smaller drop from last year than it was in the first quarter.

'To Let' Signs Down Apartment Mart Up

(Continued from page 1)

where the locality is right and abnormal contingencies do not arise.

In co-operation with the Canadian Association of Real Estate Boards, The Post checked with affiliate boards and other agencies across Canada on the apartment situation from the realtors' point of view. These are summaries of the reactions from representative centres:

Vancouver

From the letting point of view, this is one of the brightest spots in the country for apartment renting. The rapid population and industrial growth has kept apartment building lagging behind although this year builders appear to be making a major effort to catch up. Tendency is to provide blocks of from four to eight suites and in the first five months of this year permits for apartment building estimated to be worth $5 million have been issued.

Rents are lower than in the eastern centres of Toronto and Montreal and average out at about $75 for a first-class bachelor suite, from $75 to $110 for modern one-bedroom suites, and $95 to $125 for two-bedrooms.

Calgary

Apartment building continues to speed forward this year, but there is still a tendency toward the smaller blocks of suites. In the first five months of last year, 22 apartment buildings at an estimated cost of well over $1.5 million went up. This year, the apartment tally on permits is 19, with a paper value of just under $1 million.

One reason for the trend towards smaller blocks could be the predominance of home owners in the city, even more pronounced here than in other Canadian cities. At the last count, Executive Secretary W. Frank Johns of Calgary Real Estate Board Co-Operative Ltd. states, there were 36,781 houses within the city limits as against 480 apartment buildings with more than four suites. Rents have remained unchanged for the past year, ranging from $75 for a bachelor or one-bedroom suite to $100 for two bedrooms.

Winnipeg

Demand for apartments in Winnipeg continues at a steady level and has varied little over the past year. Building of apartment blocks has lagged somewhat and some realtors feel that there is a large, unsatisfied demand in the city for top-class accommodation of this kind in good localities.

But here, as in several other western cities, private homeowners with suites to rent offer competition on a formidable scale.

Rents vary widely according to class and locality of accommodation. For a bachelor suite, the rent can range from $50 up to near $90. For one-bedroom accommodation it will go from $65 to $95 (the latter including broadloom), and for two bedrooms from $75 to $110. Three-bedroom accommodation at $125 is top-flight.

Toronto

The demand for apartments has sparked up in the last few months and with it there has been a marked increase in the building rate. In the city, 25 permits for apartment building, representing over $14 million have been granted over the past six months as compared with 21 permits with a price tag of just under $9 million in the same period last year.

But the position is definitely more competitive than it was a year ago, prospective tenants are more selective of accommodation and there is a trend to apartments within easy reach of the central area.

Rents have varied only slightly over the past year, with slight reductions occurring mostly in the suburban areas. For modern suites, rents vary considerably according to locality and facilities. It's estimated that rents for bachelor suites range from $90 to $120, for one-bedroom suites from $110 to $140 and for two-bedroom from $115 to $200.

Property Manager John E. Pearson of Shorthill & Hodgkins states that over the picture demand is still brisk.

Montreal

Fewer apartment buildings are under construction now than last year and renting is somewhat more difficult. Rents on average range from $65 to $110 for a bachelor suite, $80 to $150 for one bedroom, and $95 to about $200 for two bedrooms. More aid is being sought from renting agencies by owners.

This is how the representative of one of the largest real estate firms in the city sees the position:

"Generally speaking, while renting is more difficult this year than last, the over-all renting picture is good. The high rentals obtained over the past few years by some buildings in secondary locations have recently had to be reduced.

But increases are still expected in some cases presently subject to rent control, particularly well-located older buildings. This indicates that we are going through a period of levelling of rents."

Halifax

Family suites are in very short supply, Raymond L. Kaizer of the Halifax-Dartmouth Real Estate Board informs The Post. The number of small suites available is catching up with demand and, generally, good units find tenants. But older accommodation needs the vacancy board frequently.

Here again rents have remained unchanged over the year averaging $80 for a bachelor suite, $100 for a one-bedroom apartment and $115 for two bedrooms.

Auto Production

	Wk. End. June 23	To Date 1956	To Date 1955
Am. Motors:			
Hudson	34	1,079	....
Nash	76	2,601	....
Total cars	110	3,680	2,173
Chrysler:			
Chrysler	144	4,021	....
Desoto	31	1,269	....
Dodge	1,239	28,883	....
Plymouth	1,079	24,760	....
Total cars	2,493	58,933	50,885
Dodge	192	3,285	....
Fargo	168	2,966	....
Total trucks	360	6,251	4,662
Cars, trucks	2,853	65,184	55,547
Ford:			
Ford	1,416	42,279	....
Mercury	236	5,085	....
Meteor	758	19,706	....
Monarch	235	5,115	....
Total cars	2,645	72,185	68,735
Ford	413	11,443	....
Mercury	126	4,656	....
Meteor divy.	13	418	....
Total trucks	552	16,512	14,308
Cars, trucks	3,197	88,697	83,043
GM:			
Buick	654	10,052	....
Chevrolet	2,748	31,122	....
Oldsmobile	369	5,940	....
Pontiac	1,146	24,287	....
Total cars	4,917	71,401	98,480
Chevrolet	776	11,764	....
GMC	450	8,099	....
Pontiac divy.	50	730	....
Total trucks	1,276	20,593	19,882
Cars, trucks	6,193	91,994	118,362
International:			
Trucks	305	8,647	4,234
Stude.-Pack.	235	5,291	5,288
All cars	10,400	211,490	225,319
All trucks	2,493	52,003	43,328
All vehicles	12,893	263,493	268,647
Prev. wk.	12,189	....	....
Last yr.	11,325	....	....

Look For It Here

June 30, 1956

REGULAR FEATURES			
Adelphi	48	Labor Roundup	9
Bid & Ask		Mkt. Comment	40
Quotes	44	McGeachy	7
Bus. Trends	2	Mining 45, 46 &	47
Editorials	6	Others Say	6
Hutchison writes	13	Quotations	42
Growth Stocks	87	Travel Page	12
Investment	4, 5	What's New	24
INDUSTRIALS			
Alta. Gas Truck	4	Great-West Life	35
Alum. Ltd. 2 &	4	Ins. Co. of N.A.	36
T. G. Bright	37	Interprov. P. L.	22
B.C. Telephone	34	London Life	35
Can. Safeway	5	Mfrs. Life	35
Cdn. Brew.	22	Nat. Grocers	38
Cdn. Cottons	24	Nat. Steel Car	40
CPR	39	Perkins-Good.	10
Cdn. Tire	37	Phillips Elec.	34
Caribou Brewing	5	Rap. Grip & Bat.	24
Chateau-Gai	34	Std. W. & Cable	19
Excelsior Life	35	Signet Dist.	2
Gen. Foods	37	Singer Mfg.	16
MINES AND OILS			
Bailey Selburn	45	Little Long Lac	47
Belcher Mining	46	Pacific Pete.	3
Can Met.Explor.	46	Pickle Cr. Gold	4
Cons. W. Pete.	18	Placer Dev.	3
DeCour.-Brewis	22	Pow. Rouyn G.	46
Faraday Uran.	47	Rix-Athabasca	47
Home Oil	46	Stanleigh Uran.	47
Hud. Bay Min.	47	Starrat Olson G.	46
LeMoyne Un.	46	Transcont. Re.	45

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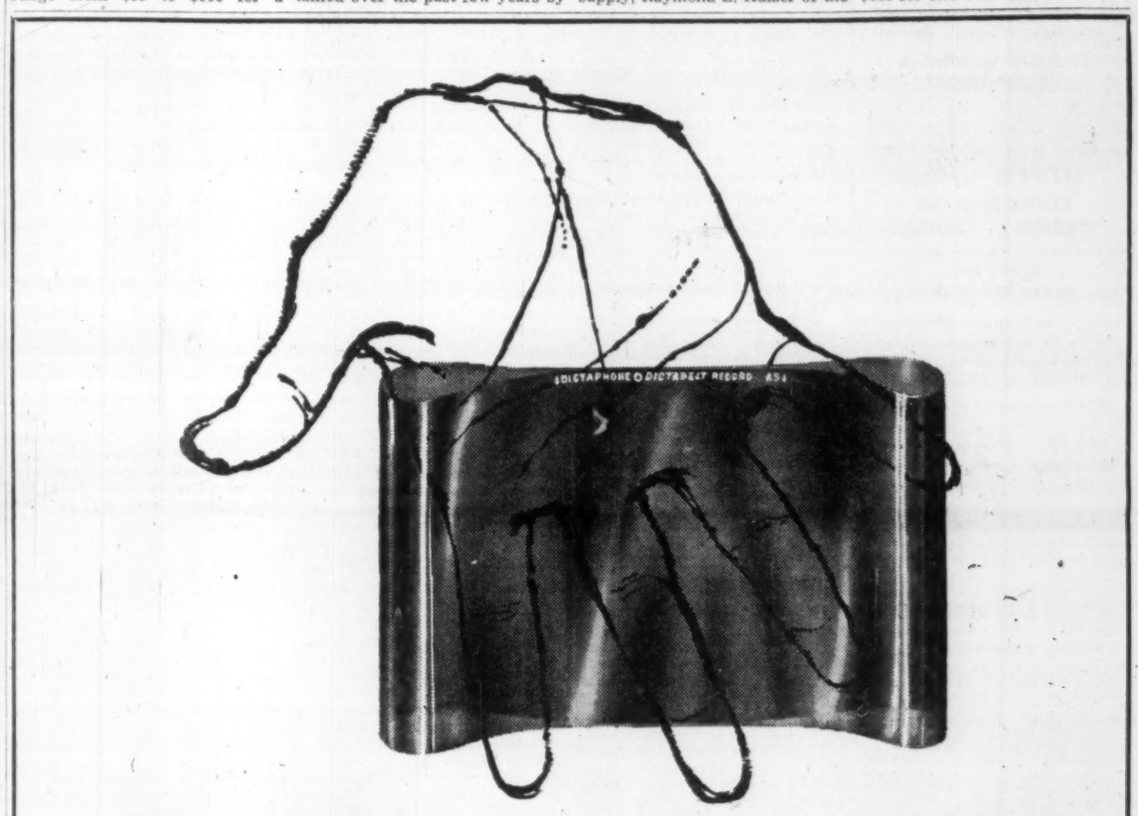

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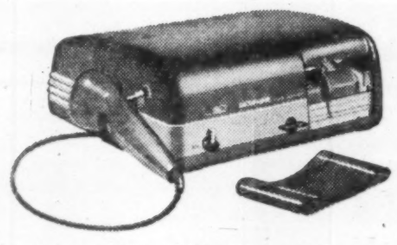

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Why They're Moving

Facts and comment on what's going on in the market and rumors behind some of the moves.

By FRANK KAPLAN

With consumers enjoying relatively-thick pocketbooks and summer traditionally the time for leisure, many investment men are starting to take a look at an industry which appears to benefit from these two conditions—beverages. Very hot weather, it is argued, benefits the brewing industry and leisure time promotes more of those "tall, cool drinks." Also a factor to be reckoned with is Junior and his bottle of pop.

Here's the recent market action in some of the Canadian beverage securities:

	Latest Price $	June 8 $	1956 High $	1956 Low $
Canadian Breweries	29⅞	29⅜	33½	29
John Labatt	22	22¼	24	21
Molson's A	24	23½	28	23¼
Canada Malting	57	56	62	53
Distillers Seagram	34⅞	35	39⅜	33
Hiram Walker	69½	67½	75	65½
Orange Crush	3.75	3.75	4.45	3.25

* * *

THE STREET IS TALKING ABOUT—the growth in western Canada and its effect on utilities. Some of the strongest issues in recent markets have been these power companies. **British Columbia Power** surges ahead about $2 on the week at $42¼ and is up from a low of about $36½. **Calgary Power**, attracting investment interest since the Killam estate sold out, adds $2¼ at $60¾, up from a low of $55½. Interest in these companies tied into gas line developments and general industrial growth which means bigger demand for electricity. Also giant dam project for B.C. helps B.C. Power and, in turn, **Power Corp.** which has major interest. Holding company, Power Corp. rises $1¼ to $61.

Other utilities also "cooking with gas." **Consumers' Gas** which tends to be a quiet trader, surges ahead $1½ at $21¾ before settling back to $20½. **Union Gas** at $49¼ is up from $48¼ a week ago, and **United Fuel B** at $31 is up $1. Markets in eastern Canada reported building up well in getting ready for the Trans-Canada line.

* * *

Steel Co. of Canada, with rights expiring July 3, bumps ahead strongly to $60⅛ from $58½. Stock had dropped about 25% in price from a high of $80 after the company had given shareholders the right to buy one new common at $46 for each six held . . . The **Bank of Nova Scotia** rights basis is $38 a share for new stock, not the $23 figure listed in this column last week. . . . Further talk is strong that **Canadian Bank of Commerce** rights issue is coming soon. Stock is up $1¼ from $49½ about ten days ago. . . . **Universal Products** sags $4 at $61½ as profits taken after company confirms American Totalisator purchase.

Feature of the industrial board is **McColl-Frontenac Oil** which adds $5 at $56 as speculators talk of "big things" in the wind for the company after parent Texas Co. gets through taking over Trinidad Oil and **Regent Refining**. Regent, at $16¾ is up from $16½.

* * *

Dominion Steel and Coal brightens to $20⅞ from $20 as rumors circulate of pending deal to sell iron ore to the Krupp steel combine in Germany. Company has been highly successful in past in finding European customers. Demand for iron ore in Germany reported strong. . . . **Penmans** at $24 is down from $24½. It looks as though unidentified would-be buyer of company, who has given up his attempt to buy stock from shareholders (FP June 23), is cashing in anyhow, as more generous dividend policy instituted. Company announces a 35c quarterly dividend, an increase from 30c paid previously since stock was split three for one. Before split, annual rate was $3, equal to $1 on present shares.

Canadian Canners at $40¼ is off from $41 as shareholders receive formal notice of offer from California Packing. . . . Weston organization stocks perk up with **George Weston A** adding ¾ at $23¼, up from $22½ and the B up $1½ at $24. But **Loblaw Companies A** at $17¼ is down from $17⅝ although the B climbs ¾ at $18¼. Major U.S. investors said eyeing the Loblaw organization with the A and B down from highs of $21⅜ and $23⅞. Expectation is that earnings of about $2 a share will be shown for the year just ended.

* * *

Details of the merger of three Blind River uranium companies into **Northspan Uranium** (FP, June 23) stirs interest in parent company **Rio Tinto Canada.** Investors in both Canada and the U.K. are suddenly interested in Rio Tinto common which bumps ahead about 25c to $2 to $2.15. These shares were issued at $1.25 but were largely taken up by "insiders" with very few, if any, going into the hands of the general public. They have been traded only infrequently in over-the-counter market. Rio Tinto bonds are at about $100¼ to $100¾ with warrants, $88 to $89 without warrants to buy stock. Warrants are trading at $1.15 to $1.25.

Meanwhile, the street appears to have placed a value of $3.60-$3.70 on Northspan shares. The three companies which will make up this giant uranium firm—**Lake Nordic** ($2.70), **Spanish American** ($1.85) and **Panel** ($1.02)—are trading about in line for this range. Basis of merger is three Northspan for four Lake Nordic, one Northspan for two Spanish and two Northspan for seven Panel.

* * *

OTHER MARKETS—Westcoast Transmission continues a highlight on over-the-counter market with bonds (with 3 shares of stock per $100 bond) climbing as high as $150 before settling back to $146½-$147½ range, up about $2 on week. Voting trust common at about $24 is up almost $4 following a $3 gain earlier. That $24 value on the common places a value of only about $75 on the 5½% bonds which include three common. However, only a handful of common as yet available on market and price undoubtedly reflects some scarcity value.

Allied **Inland Natural Gas** (backed by same interests as Westcoast) sells at $8¼, later dipping back to $7⅝-$7⅞, up $1. Although Inland is listed in Vancouver, major market is in eastern Canada over-the-counter. Volume said heavy with talk along the lines of $1 a share earnings in first full year of operation. Company said expecting serve all of British Columbia except for Vancouver district.

Alberta Okays Gas Line Loan

From Our Own Correspondent

EDMONTON — The Alberta Government has agreed to loan Alberta Gas Trunk Line Ltd. $3.7 millions for a two-year period to establish a gas gathering system in the southern part of the province, supplying natural gas to the Trans-Canada pipe line.

The loan will be made through the Government's Alberta Industrial Corp. in the following amounts: $2.5 million on July 1, 1956; $1 million on Aug. 1; balance as required.

Gas Trunk Line has agreed to repay at 4½% in two years, with the option of prepayment. To finance the loan the Government will buy 4½% debentures, issued by AIC, concurrently with loan payments, from its accumulated surpluses. (At the start of this year, government reserves in cash, investment, and loans outstanding stood at $270 million).

Alberta Gas Trunk Line was established by legislative act in 1954. Until now it has been financed by interested gas and oil companies and sale of a few Class A voting shares to its directors. However, it is authorized to issue eight million shares publicly at $5, and it is expected this will be done as soon as Trans-Canada begins buying gas in substantial amounts. The government loan will be repaid from this.

Only reason for not selling shares now, say company officials, is that the relatively small amount required for interim financing does not warrant entry into the market.

ANNOUNCEMENT

DRUG TRADING EXECUTIVE APPOINTMENTS

Following the recent adoption of a plan to establish branch warehouses at key points, Mr. Kenneth C. Legge has been appointed Manager of the Toronto Branch of Drug Trading Company Limited. With the company since 1933, he has been Assistant Manager in charge of warehouse operations, advertising and sales promotion.

Mr. Norman McKellar, formerly Internal Auditor, has been named to the newly created post of Comptroller.

Both appointments reflect the impending expansion of Drug Trading Company's service to the growing needs of retail pharmacy in Canada.

* chris yanoff
design & advertising counsel
one benvenuto place
toronto 7 wa. 1-3376

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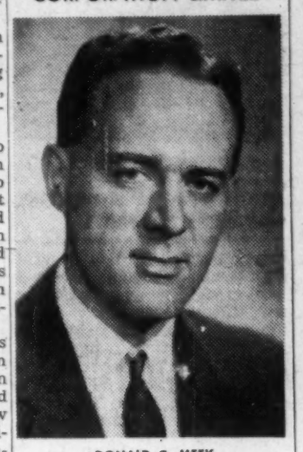
EQUITABLE ACCEPTANCE CORPORATION LIMITED



DONALD C. MEEK

Mr. Emil Schlesinger, President of Equitable Acceptance Corporation Ltd. is pleased to announce the election of Mr. Donald C. Meek, B. Comm. as a director of the company. Mr. Meek is also a director of a number of companies in the Triarch Corporation Ltd. and Toronto and London Investment Company Ltd. groups and brings to his new position several years experience in the financial and investment fields.

The Bank of Nova Scotia

Rights to Subscribe for Capital Stock

Shareholders of The Bank of Nova Scotia have received warrants entitling them to subscribe for one new share of the Bank at $36 per share for each five shares held as of record May 31, 1956.

The Bank of Nova Scotia Rights provide an attractive opportunity for shareholders and others to increase or acquire an interest in this successful and growing Bank.

The current annual dividend rate is $1.80 and last year, in addition, an extra payment of $0.20 was paid.

Our facilities are readily available to investors who wish to exercise their rights or buy or sell rights or shares in the market.

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FP-26—C-56

Brighter Look In U.S. Autos

A breeze of optimism is whisking some of the gloom from the U. S. auto industry.

Meanwhile Canadian sales and production of new cars remain high. Canada didn't share in the sales slump experienced by the U. S.

The better look south of the border:

—Sales are swinging higher, although this trend is too newborn to measure confidently. But the period of 20%-below-last-year seems to be over.

—General Motors is rehiring.

—Ford announced plans to boost production, said many workers who had been laid off will be offered the chance to work during their normal holiday periods.

—Car production was up 5% last week, said Ward's Reports.

—New car dealers reduced their inventories by 70,000 units during May. Inventories remain high, however.

These factors ease a situation which has frightened some economists, who feared the slack in auto output, sales and employment would cause recession ripples through the U. S. economy.

Financing Plan For Cement Co.

MONTREAL (Staff)—In addition to securities proposed to be offered soon by Lake Ontario Portland Cement Co. (FP, June 23) company will issue $7 million first mortgage 4¾% serial bonds, due 1958 to 1967, which will be purchased by a Canadian bank.

The offering of other securities involves $6,497,000 5½% debentures due June 30, 1971; 232,050 5% convertible preferred shares of $10 par and 696,150 common shares of $1 par. The securities will be offered in a package at a price of about $1,000.

Nesbitt Thomson & Co. will handle the issue in Canada and Kidder, Peabody & Co., the U. S. offering.

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NOTICE TO BONDHOLDERS

By virtue of a Supplemental Trust Deed dated the 1st day of July, 1953 interest is now payable on the bonds of Atkins & Durbrow Ltd. at the rate of 3% per annum from the 1st day of January 1956.

Before payment can be made the bonds must be submitted to The Canada Trust Company, 536 Howe Street, Vancouver 1, B.C. for endorsement of particulars of the Supplemental Trust Deed and for notation of interest payments.

For convenience in making future interest payments it is requested that all bearer bonds be registered.

DATED at Vancouver, B.C. this 21st day of June, 1956.

THE CANADA TRUST COMPANY
Trustee.

Test Your Knowledge

1. An executor is the person or company selected by the deceased and named in his Will to carry out the terms thereof. — True ☐ False ☐

2. An executor is obliged to pay or provide for all debts of the testator including income tax before distributing the estate. — True ☐ False ☐

3. Executors are free to invest estate funds as they see fit. — True ☐ False ☐

4. A trust company is prevented by law from setting its own fees for the administration of an estate. — True ☐ False ☐

5. Estates under $50,000 are not liable for Succession Duty under the Dominion Act. — True ☐ False ☐

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1. True 2. True 3. False 4. True 5. True

Complete answers to these questions will be supplied upon request

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Aluminium Plan To Build Second Plant In Jamaica

MONTREAL (Staff) — In its second major expansion announced for Jamaica during the past eight months, Aluminium Ltd. will spend $35 million for a second alumina manufacturing plant on the island.

The plant will produce 245,000 tons of alumina annually.

The program brings projected Jamaican capacity to almost 800,000 tons of alumina yearly, designed principally to support the primary aluminum capacity of 330,000 tons yearly planned for the Kitimat smelter in 1959. (It takes about two tons of alumina to make a ton of aluminum.)

Alcan's capital investment in Jamaica will total more than $90 million when the expansion is completed. All of this is included in previously announced estimates of capital expenditures through 1959.

Company's subsidiary, Alumina Jamaica Ltd., will start construction immediately on the new plant from which first production is expected mid-1958. The new plant is the second to be established in Jamaica and will be established near the town of Ewarton, about 50 miles from the company's initial plant.

In October, 1955, it was announced that the first alumina plant would be increased to 550,000-ton capacity by 240,000-ton expansion at an estimated cost of $17 million.

The new facilities will involve mining operations in a previously undeveloped sector of the company's bauxite properties in Jamaica.

Export shipments will be made via the Jamaica Government Railway to the newly created seaport on the island's south coast where bulk cargoes of alumina are sent to the company's aluminum plant at Kitimat, B.C., and other world markets.

The Steel Company of Canada, Limited

SHAREHOLDERS of record May 18, 1956 are offered Rights to subscribe for additional shares of common stock on the basis of one new share at $46.00 for each six shares held. This privilege expires July 3, 1956.

We suggest that existing shareholders exercise their Rights to increase their present holdings and believe this an opportune time for new investors to buy Steel Company shares through the purchase of Rights.

As the leading Company in one of Canada's basic industries, Steel Company shares at current levels provide sound investment with favourable capital growth possibilities and a commensurate return.

Equitable Securities Canada Limited

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June 27, 1956.

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ANNOUNCEMENT

HAROLD F. STANFIELD LIMITED APPOINTMENTS

H. J. M. FURLONG

DONALD FERGUSON

G. F. Maccabe, Toronto Manager, announces the appointments of Harry J. M. Furlong as Account Executive, and Donald Ferguson as Radio-Television Time Buyer for the Toronto offices of Harold F. Stanfield Limited.

Mr. Furlong was formerly Account Executive with Russell T. Kelley Limited, Hamilton. He served overseas with the RCAF, graduated from the University of Western Ontario, and also acted as assistant to a divisional advertising supervisor for Canadian Industries Limited. Mr. Ferguson, also a graduate of the University of Western Ontario, was national sales representative for All-Canada Radio & Television Facilities Limited, and formerly assistant advertising manager of Bepco Company of Canada.

Here are clues to profit

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Announce

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122 MacDonald Avenue, Winnipeg (2), Manitoba

The Bank of Nova Scotia

"Rights" and Capital Stock

The Bank of Nova Scotia has offered to its shareholders of record May 31, 1956 the right to subscribe for additional shares on the basis of one new share for each five shares held, at $38 per share. This offer will expire on September 5, 1956.

We recommend Bank of Nova Scotia capital stock for investment, and offer facilities for dealing in the "Rights" and shares.

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GROWTH AHEAD

By PAUL S. DEACON

What Natural Gas Can Mean

How Union Gas Will Handle Big Market Potential

Investors who are wondering what the advent of natural gas can mean to gas distributing firms, will get some clues from the comments at the Union Gas annual meeting by President David C. Rogers.

Union has been in the natural gas business for years, and therefore has a special knowledge of this fuel's potential. However, for years its expansion has been restricted by insufficient supplies, partly because it couldn't get enough gas from local wells and partly because it has been unable to persuade the U. S. Federal Power Commission to release all the gas it wants from the U. S.

Despite these handicaps, Union has boosted its gas sales from 5.3 billion cu. ft. in 1946 to 13.5 billion last year (fiscal year ended March 31). Gas revenues in this period jumped from $4.1 million to $13.3 million, and net profit from $419,000 to $2 million.

Reflecting this, Union Gas common has risen from a high of $12⅞ in 1946 to around $49 recently.

Revised Sights

Now that Trans-Canada Pipe Lines expects to deliver gas to Union from Western Canada in 1958, Union has revised its sights drastically.

The company made detailed studies of market potential last year, in the light of more up-to-date figures on population increase, industrial expansion, etc. and came up with figures which President Rogers admits seem "rather staggering."

"We are estimating that the sales of Union Gas Co., including sales on a wholesale basis, will increase by over 300% in the next 13 years (after first deliveries from Trans-Canada) if the requisite supply of gas is available," he told shareholders.

As a result, company has changed its contract with Trans-Canada. Originally it signed up to take 10½ billion cu. ft. in the first year, increasing to 15½ billion in the sixth year and then levelling off. Its new contract obligates Trans-Canada to deliver 12½ billion cu. ft. in the first year, increasing year by year to 64 billion in the 13th and suceeeding years.

"We are obligated to take 75% of these quantities," President Rogers explained. "This 25% leeway gives us sufficient flexibility so that we will still be in a position to purchase any gas locally which can be made available to us." Minimum gas to be purchased from Trans-Canada in the 13th year will thus be 48 billion cu. ft., he points out.

From Panhandle

Union still has some hopes of getting more gas from Panhandle Eastern Pipe Line Co. This contract calls for delivery of 15.5 billion cu. ft. annually in addition to the 5.5 billion it is already importing from Panhandle. The agreement contains a provision permitting Union to discontinue imports if natural gas from Western Canada becomes available before Nov. 1, 1960.

Company is now awaiting final decision of the U.S. Federal Power Commission on Panhandle's application to sell the gas. "If this decision is favorable, Union Gas is ready to start the largest single natural gas construction project yet undertaken in southwestern Ontario," Mr. Rogers told the meeting last week.

"Not only are we ready to expand into areas within our present market territory, but our plans have been completed for a large diameter pipeline which we will build to the vicinity of Hamilton. We will then be able to convert Hamilton and supply other important centres such as Guelph, Kitchener and Stratford, as well as small communities and other distributing companies.

"If, however, the decision is unfavorable, we will have to await the arrival of Trans-Canada gas before this expansion can be undertaken."

Gas In Storage

Volume of gas in storage at March 31, 1956 was less than a year earlier, the first time since the company started storing gas that it had taken out more than it put in.

However, it has signed new purchase agreements including one with Imperial Oil from their Bickford field in Sombra township and one with Consolidated West Petroleum from their wells under Lake Erie.

These contracts, along with others signed with small local producers, will increase supplies this year by more than 1½ billion cu. ft.

As Mr. Rogers points out, the relatively tight supply situation resulting from only normal expansion in the areas already served, makes clear the need to curtail expansion into new areas until a large long-term supply of gas is available.

It also points up the attractive possibilities once that large long-term supply is at hand.

Caribou Brew. Bonds Sold

A new issue of $500,000 5½% first mortgage sinking fund bonds of Caribou Brewing Co. has been sold at par by A. D. Lauder & Co., Vancouver.

The bonds are dated June 15 and mature June 15, 1967.

Purchasers of the bonds were given the right to buy common stock from the underwriters at 20c a share in the ratio of 50 shares for each $500 bond bought, the purchase to be made at the time of subscribing for the bonds.

Proceeds will be used to build the brewery building, to install the machinery and equipment already owned by the company, to buy additional equipment as required, and to provide working capital, the prospectus states.

Company was incorporated Feb. 20, 1956, under the name of Sunshine Brewing Co. to buy the outstanding shares of Nechako Brewing Co. The name was changed to Caribou Brewing April 5.

Purchase price was met through issue of 75,000 common shares, $176,000 5½% second mortgage debentures due 1968 and $3,500 cash. Assets acquired from Nechako include 7.4 acres near Prince George, B.C., some brewing and other equipment and machinery, and engineering plans.

With completion of financing, capitalization now consists of $1.5 million authorized, $500,000 outstanding, first mortgage bonds; $180,000 authorized, $176,000 outstanding second mortgage debentures; and 750,000 authorized, 500,000 outstanding (issued or underwritten), common.

The company received $460,000 net for the bonds and $10,000 from sale to underwriters of 50,000 common at 20c a share.

Contract for construction of the brewing plant for about $175,000 has been let, with completion scheduled for Oct. 15, 1956. Another $175,000 is expected to be spent on additional new equipment, insurance and brewing licenses. Initial capacity will be 60,000 bbl. a year.

Prospectus estimates annual net profit of $91,695 a year, based on sale of 40,000 bbl. a year, after providing $75,000 depreciation, $27,500 bond interest, $9,680 debenture interest, and $71,125 income taxes.

Nfld. 'Overseas' On Phone But Soon On Canada Lines

Newfoundland soon will be hooked into transCanada phone circuits, instead of being classed as an "overseas" phone point. This is another step in the island province's march to a new economy. For details, see the special report, pp. 25-33.

ST. ANDREWS, N.B.—Outlook for the $1,500 million Canadian telephone industry is for "very great expansion."

Thomas W. Eadie, Bell Telephone Co. president, chairman of the 27th annual meeting of more than 100 executives of the Telephone Association of Canada here this week, also keynoted:

"The business is large and growing substantially . . . we will expand as Canada expands, but Canada's expansion will be significantly influenced by our foresight in providing adequate communications."

Mr. Eadie, also chairman of the Trans-Canada Telephone System, announced:

- Trans-Canada telephone service will be extended to Newfoundland "in the near future." (Newfoundland is now considered an overseas call by Toronto. Day rate: $2 a minute.)
- Addition of representatives to the Association from the Avalon Telephone Co. of Newfoundland and the Canadian Overseas Telecommunication Corp. of Montreal, Douglas F. Bowie, president, represents COTC and S. H. Morris, president, represents Avalon.

President of the Association, Edward A. Rolph, announced:

- Canada has more than four million telephones now.
- Some 80,000 orders for telephones exist as a backlog "despite the addition of close to 300,000 telephones in 1955."
- Long distance calling in 1955 increased 12% to 155 million messages.
- The nation-wide microwave radio relay network being built is on schedule, should be in service as planned by the end of 1958.
- Installations for continent-wide direct dialing are "well in hand."

COTC's Bowie announced that the laying of the east-to-west section of the trans-Atlantic telephone cable will start July 8 and end mid-August. (The west-east cable was laid last year.) Service (Montreal-London) should begin Oct. 15.

The cable-laying is a joint project of the COTC, the British Post Office (whose H.M. Telegraph Ship Monarch is now loading 1,294 nautical miles of cable with 50 repeaters) and the American Telephone & Telegraph Co.

Alex. G. Lester, general manager of Bell Telephone's Special Contract Department, project agent for the construction of the 3,000-mile, $170-million Mid-Canada line reported:

- Construction is going on at "virtually" all sites and towers and equipment installed at many.
- Almost 400 technicians to test and supervise installation of the line's equipment have been trained.
- Weight of materials needed will total about 175,000 tons.
- More than 75 manufacturers, mostly Canadian but some American, British and German, are supplying equipment. Six major Canadian electronics companies are doing installation work. Construction is by 10 major general contractors.

R. Holley Keefler, Bell Telephone's Operations vice-president, said the telephone industry is now spending at the rate of $200 million a year for new construction.

"There are cities and communities expanding so fast that it seems at times an almost impossible task to reduce the waiting interval (for telephones).

"Only further mechanization will enable us to provide the services required."

Canada Safeway Sales Up 6.8%

Sales of the Canadian subsidiaries of Safeway Stores for the 24 weeks ended June 16 amounted to $82,148,861 ($76,913,878 in the comparable 1955 period), an increase of 6.81%.

Safeway's Canadian sales, proportionately, were ahead of those for the U. S. parent which showed an increase (including all its subsidiaries) of 0.47% for the 24-week period ($891 million vs. $887 million).

For the four weeks ended June 16, sales were up 8.32% in Canada, at $14,588,840 ($13,468,472), and up 3.63% for the parent and all subsidiaries ($155.1 million vs. $149.7 million).

Number of store locations in operation in Canada total 153 (143) and for the consolidated group 1,984 (2,002).

Dividend Changes

PENMANS LTD. — New comman, 35c payable Aug. 15 to holders of record July 16, ex-dividend July 12. Previously paid regular quarterly at annual rate of $1.20. Recent price: $25.

DOMINION STORES LTD. — Common, 31¼c payable Sept. 15 to holders of record Aug. 17, ex-dividend Aug. 15. Previously paid regularly quarterly at annual rate of $1. Paid 90c in 1955. Recent price: $38¾.

LAMBTON LOAN & INVESTMENT CO. — Common, $2 payable July 3 to holders of record June 15. Previously paid regularly semi-annually at annual rate of $3.00 plus $1 extra annually since Jan. 2, 1948. Recent price: $81.

ENAMEL & HEATING PRODUCTS LTD. — Common, 10c plus one tax-free 4% preference share, $2.50 par, payable July 31 to holders of record June 30, ex-dividend June 27. Total paid in 1955, 40c. Recent price: $10.

SOUTHERN CANADA POWER CO. — Common, 50c plus 25c payable Aug. 15 to holders of record July 20, ex-dividend July 18. First extra since 5c paid Nov. 15, 1946 when regular quarterly payments were 20c per share. Total paid in 1955, $2. Recent price: $51½.

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ANNOUNCEMENT

TO DIRECT RADIO-TV FOR YOUNG & RUBICAM

W. HUGH CLARK

now Supervisor of Commercial Operations, Radio and Television, for the Canadian Broadcasting Corporation, has been appointed Supervisor of Radio and Television for Young & Rubicam, Ltd., it has been announced by A. R. McGill, vice-president and managing director.

Starting in private radio at Preston in 1930, Mr. Clark has had wide experience in the radio and television side of advertising. He joined the production staff of the CBC in 1940 and in 1947 moved to the Commercial Division. In 1952 he was assigned to the new Television section, and took over his present appointment in 1955.

Mr. Clark will join Young & Rubicam, Ltd., on July 3.

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- ☐ *Canada Iron Foundries*
- ☐ *Dominion Tar & Chemical*
- ☐ *Hiram Walker—G.&W.*
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We will be pleased to provide complimentary copies of the above upon request. Simply indicate the company or companies in which you are interested and mail to our Research Department.

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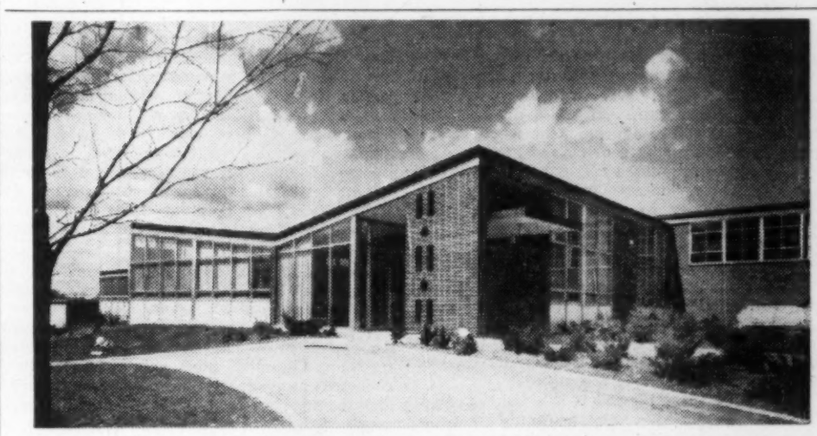

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For Things As They Are

In a country that hasn't any genuinely sinister or subversive political parties, or none that cut any ice, election results sometimes offer comfort for everyone.

Last week three provincial electorates in Canada voted to keep their existing governments in power; from which Prime Minister St. Laurent and colleagues may deduce that the people want no change. But the same three provinces rejected bids for office by the Liberals; from which some might argue that the ruling Federal party is losing its grip. If official Ottawa prefers the first theory, this is only political human nature.

Nobody really expected the Duplessis regime to topple in Quebec though it has faults, at least as viewed from the outside world. Mr. Duplessis is rough on civil rights. There is far more wind than substance in his complaints about federal invasion of the provincial sphere. He is slow to recognize that Dominion-provincial teamwork in some fields, like higher education, would injure nobody at all. His Government is probably not the most efficient or the most scrupulous in the world.

But these counts against Mr. Duplessis evidently add up to very little in the eyes of Quebec voters. It suits them well to have, in Quebec City, a Government that ardently champions provincial rights and, at Ottawa, a Government that leans heavily on their support. The difference in their party stripe is all to the good from the Quebec point of view. Though Georges Lapalme, the provincial Liberal chief, has suffered a crushing setback, the federal Liberals, are probably not shaking in their shoes. One thing the Quebec vote may have taught them, though, is that Ottawa big guns are not welcome in provincial contests — a salutary general rule.

In New Brunswick the Conservatives under Premier H. J. Flemming won a second term. Here again there was no surprise. The main point of the election was that the voters thought well of the Government's program for developing electrical power and industry. If this shows Maritimers in an optimistic frame of mind, it is good news for all other Canadians.

The Socialists have held Saskatchewan. Subversive enough in theory to suit any Marxist (see the CCF Regina manifesto which is still their gospel), they are less so in practise. Premier Douglas has even been driven to the desperate expedient of seeking to interest private capital in the resources of his province. The rest of the nation will wish him luck in future action along this highly un-socialistic line.

Most interesting feature of the Saskatchewan result may be the increase in the Social Credit vote from 4% to 21% of the total poll; but this is no portent. After all, more than 20 years have passed since the late William Aberhart evangelized Albertans into accepting a funny money theory he didn't even pretend to understand. If in these two decades Social Credit has scaled the mountains but moved eastward only to the centre of the great plains, this is not even a creeping landslide. East of Manitoba, where 75% of Canadians live, the country is still impervious to Aberhartism. Long may it present this impenetrable front.

If the three results show any trend or pattern, none is discernible except satisfaction with things as they are. Opposition parties deserve thanks for injecting a little excitement into Canadian politics but the nation's gratitude to them is not taking the form of votes of confidence.

Poor Propaganda

If any country asked permission to depopulate, say, Manhattan or Long Island, by setting off experimental nuclear bombs, the request would certainly get a frosty reception in Washington. But atomic radiation from American bomb blasts has made the South Pacific islands of Bikini and Eniwetok uninhabitable for two generations, a U. S. expert says.

The reasons why Long Island and Bikini rate differently, as sites for the loudest man-made bangs, may seem clear to people in this part of the world.

But what do Polynesians and Asians think?

Through how many Asian minds, has the idea percolated that western man, in spite of his professions of love, thinks of Asians as lesser and expendable breeds? To what extent is anti-Western feeling due to this suspicion, so spectacularly confirmed, from an Asian point of view, by the Japaneses explosions at Hiroshima and Nagasaki?

Nobody knows; but anybody can see it is bad propaganda to let people think that Bikini islanders are driven from their native heath, rather than Long Islanders, only because they are not numerous, rich, powerful and armed but, on the contrary, few, poor, uninfluential and defenseless. The worst of this argument is that it's true; try finding an answer.

Anyway, the point is worth consideration when the U. S. decides where, if anywhere, further nuclear disturbances are to happen. No use expecting a man to regard you as a long-lost brother if you feel free, in the interests of science, to blow his house up.

Water, Water, Everywhere

When the mayor of Toronto (and no doubt other places have had a similar experience lately) asks the citizens please to refrain from lawn-watering because of a water shortage, he appeals to a decent impulse. What a lowdown trick it would be, people think, to waste the precious fluid on grass and so deprive some worthy person of a necessary bath or cup of tea.

If, however, the same mayor were to put out a notice saying, "on account of the scarcity of constables, kindly do not call the police after midnight," the reaction would be scornful. Why, people would ask, doesn't the foolish fellow hire some more policemen?

The same reasoning applies to the water question. Water is one thing this country need never be short of. Its lakes and rivers are the envy of drier lands. Canada, according to D. M. Le Bourdais' new book about its resources, has "half the fresh water in the world."

In a country so blessed it is ridiculous that two or three days' hot weather should reduce a large, modern city to the expedient of turning off taps as a conservation measure. The people who stopped the flow from their garden hoses showed creditable civic spirit. But we can understand the other people who kept the taps on just to demonstrate to official parsimony or sloth (whichever it may be) that abundant water in all weather is demanded by the taxpayers and the tenants and must be supplied.

We're Not Going to Run out of Work

It's time we raised our sights — and lowered our voices — about "automation."

There's been too much careless talk about how automatic processes will upset our existing ways of working, how they will turn on the tap of limitless production and loose a flood of goods for home and factory — all untouched by human hands.

"Automation" is fast becoming a word loaded with emotional freight. And as the introduction of automatic processes becomes more widespread, there's more danger that "automation" will become a catchword to raise the fear of unemployment.

But there's no need to get excited. At all levels of technology there's been a re-arranging of men and machines and the **gradual** introducing of automatic processes. This has been going on for a long time.

At the same time the newspapers have been loaded with "help wanted" ads. Companies are spending sums unthought-of a few years ago to attract and keep workers.

Project the last decade's fast-growing industrial production and do the same for our slow-growing labor force. It becomes obvious that there may not be enough hands to keep up with the flow of goods needed to satisfy the expected demand.

If we are to manage a steadily expanding output without dislocation, more work per man per hour will have to be forthcoming. Only by speeding productivity can we keep pace with indicated future demand.

This is the way Louis Polk, chairman of the Sheffield Corp., looks at today's worries about the better and probably "automatic" tools of tomorrow. To the National Machine Tool Builders' Association he said:

> "It's important to know how much a company is going to sell in 1956. It is equally important to know what steps a company should take in 1956 that will assure its position in its competitive field in 1966 and 1976. Will a company and its employees accept the philosophy of increased mechanization as part and parcel of over-all company policy? (There's a need) to help industry and labor realize the nature of the race it is in and its dependence on better tools to increase productivity . . . without increased productivity, greater population, higher standards of living, a growing economy cannot be served."

Both Unrealistic

A Canadian historian once enunciated the opinion that North America picks up European political ideas, like self-determination, after they are out of date. It's a theory of doubtful merit but Gen. Guy Simonds perhaps supplied evidence for it when he advocated compulsory military training in this country.

In the same week that he spoke, the British Prime Minister publicly expressed doubts about the value of conventional arms in an atomic world. A week or two earlier Russia had announced an armed forces cut clearly based on recognition that a man in overalls or a lab coat is now as valuable for defense as a man in uniform. Even Germany, supposedly a country in love with armies, shows no great eagerness to get men out of the factories and into the barracks.

If the big nations are moving toward abandonment of big armies, this is not the moment for Canada, with its comparatively small manpower, to go in for peacetime conscription. But Defense Minister Campney, who called Gen. Simond's plan "unrealistic," was hardly more a realist himself when he went on to propose instead, compulsory physics and mathematics for all Canadian high school students. If they all suddenly signed up for these two subjects, the supply of qualified teachers couldn't begin to meet the demand.

Education is a provincial matter, but Mr. Campney, if he really meant what he said, must have some ideas about federal action to improve the status and income of secondary school teachers. No doubt there are several hundred thousand Canadian boys and girls who could profitably study maths and physics but miss the opportunity for lack of instructors. And if intellectual waste of this kind is going on, it's a national problem.

A Matter of Right

British old age pensions follow the pensioner to the ends of the earth and the end of his days. If he migrates at age 65 to Tasmania, Peru or the Yukon, the cheques continue to flow and don't stop until the death certificate is issued.

Canadian old age pensions should be payable in the same way because they too are now based on the principle of contribution. Their cost does not figure in the Federal Government's estimates. Nor does it come out of general revenue. It is covered by the special 2% taxes, earmarked and put in a separate fund, on personal income, sales and corporation profits.

Last year, a report to Parliament shows, these levies yielded $316 million or 86% of the amount needed for the pensions, the treasury making good the deficit. The fact that the fund is thus not quite actuarially sound in no way affects the semi-contractual relationship involved. The old age pension, as Health Minister Martin has said, is now a matter of right because the pensioner has bought it in advance. Therefore it ought to go to him, like the proceeds of an ordinary insurance policy, wherever he is instead of stopping when he leaves Canada.

Most old age pensioners, one may hope, will choose to spend their evening years and their $40 a month in this country. But those who want to move back to Tobermory, Omaha or even Warsaw, for health, family or sentimental reasons, shouldn't lose on that account. They have paid their subscription.

The point is a small one. Just for this reason the necessary amending bill should go through Parliament in less time than the Queen's Printer would need to set it up in type. Justice would then be done at a cost to the treasury of next to nothing — a bargain too rare to be missed.

Napier Moore's

Scratch Pad

ARMED WITH A BADGE to what up till a year ago was known as the Royal Enclosure, but what is now called merely the Royal Ascot Enclosure, your faithful scribe last week took in England's classic turf event.

Ascot is not only associated with the presence of the Royal family and the finest horses in Europe. It is, so far as the feminine world is concerned, the glass of fashion and the mold of form, as it were, set off by blue skies and warm sunshine. But from the very beginning I sensed that things weren't going to be quite right this year.

In the first place, there was consternation on the part of the ladies over the color of their badges — a sort of sickly raspberry pink — which clashed with any ravishing dress and hat they had counted on wearing. Then, with few exceptions, they weren't able to wear their summery frocks at all. The few who did weren't at their best. No woman can look her best when her flesh is studded with goose pimples. For the skies were leaden and the breeze was chill. My advisers on such matters told me that from the stylish angle Ascot was a washout.

An English acquaintance with whom I was talking said that of course it wasn't Ascot weather. The tone in which he said this indicated that if something wasn't done about it pretty promptly he would vote Labor at the next election. He added, "It's rather on the cool side, but you Canadians are used to that, aren't you?" There were a number of Canadians around us and they looked almost blue. They hadn't had the sagacity of your correspondent. Outwardly he was garbed immaculately. Underneath it all he was relatively cozy. For he wore his heavy, ankle-length woolen underwear; the kind he used to wear in Calgary and Edmonton when it was 30 below.

* * *

IN THE HOUSE OF LORDS the other day there was a 20-minute debate over the question of which is better English, "a hotel" or "an hotel." It arose during discussion of the Hotel Proprietors' (Liabilities and Rights) Bill, which referred to "a hotel."

Lord Faringdon, educated at Eton, protested vigorously. He appealed to the Upper House to make a demonstration in favor of what he called "elegance." He dreaded the possibility of one day hearing the word "honor" pronounced with an aspirated "h." And he moved an amendment to the Bill substituting "an" for "a."

He was backed by Lord Conesford, who was educated at Rugby. But opposing him was the Bill's sponsor, Lord Merthyr, who also is an old Etonian and who found it sad that a former fellow pupil at the same school should, after 40 years, differ from him on so momentous a question. He agreed that when the old French pronunciation of "hotel" was used the world should be preceded by "an," but he stoutly maintained that it wasn't used in modern speech.

The amendment was put. There were both ayes and nays. Lord Merthyr was all for battling to the death. Then to avoid a division he softened and accepted the amendment.

So, by edict of England's peers, it's "an hotel."

* * *

IN ALL SCRATCH PAD'S years only the subject of odd tombstone epitaphs has provoked more correspondence than its references to the imperishable fiction detective, Sexton Blake. To conclude the matter, Rielle Thomson, of the Canadian Pulp and Paper Association, expresses his astonishment that I should have called Blake an "incredible penny-dreadful detective." He says, "He was no more incredible and certainly no more penny-dreadful than the sleuths found in the current crime novels that are sold in drugstores as a soporific for tired professors and executives."

Now, if you'll excuse me, I have to meet a man at an hotel.

* * *

A MONTH OR SO AGO, on Stockwell Street, Glasgow, there was placed a plaque. The inscription reads:

> On this site stood the house in which was born in the year 1744 James McGill, founder of McGill University, Montreal, Canada.

Writing in Scotland's Magazine, Alastair Borthwick suspects that as no anniversary was involved, the plaque was unveiled this year because last year no one in the city had any idea that a Glasgow man had fathered a university.

Stop Me If . . .

The new elevator man stopped above the first floor, then below the second, then overshot again. In desperation he finally took the elevator up a few floors and came down again with a spine-shattering jolt.

He turned to the passengers sheepishly. "I'm sorry — did I stop too quickly?" "No," came a lady's voice from the rear. "I always wear my girdle around my ankles."

* * *

A widower, confronted by the sad task of looking over the belongings of his departed wife, decided that the only thing he would preserve was a hat. It was placed on a shelf and not disturbed until discovered by wife number two, who was told it was preserved in memory of his first wife.

After a time his second choice died. The bereaved man again selected a hat: this was placed beside the first one.

Eventually a third wife was introduced to his household. She, too, was inquisitive when she found the millinery, and asked questions. When the husband explained, she replied:

"That's all right, but the next hat that goes up there on that shelf is going to be a bowler."

FOREIGN TRADE

It's Big Business Both Ways For Us

Post Scripts

Safety Leader

Ontario's industrial safety leader this year is a veteran steelmaker.

MR. HASSEL

He's Daniel F. Hassel, a member of the Board of Dominion Foundries and Steel Ltd. and vice - president in charge of industrial relations.

Hassel is president of Industrial Accident Prevention Associations (Ontario), one of the largest and most successful groups of its kind in the world. As a measure of membership interest in IAPA, close to 4,000 delegates and visitors attended this spring's convention in Toronto.

Hassel was born in Sharon, Pa., attended school there, got his early knowledge of steelmaking with American Steel Foundries.

In 1912 he went to Dofasco in Hamilton. Successively, Hassel was open-hearth superintendent; manager of Dofasco's west side plant, which included open hearths and electric furnaces, casting foundry, general services and all auxiliaries; vice-president and works manager (this was in 1952). He took over his present duties last year.

Hassel is a key man in Dofasco's industrial relations setup. In addition to pulling the usual good wages in basic steel, company employees cut in on a big profit-sharing and savings plan, which has made some of them thousands of dollars.

Hassel is chairman of the quarter-century club at Dofasco. His interest in industrial safety is reflected in membership since 1948 in the executive committee for the Wentworth Division of IAPA. Hassel has also been on the IAPA Board of Directors.

He's a keen sports fan, enjoys fishing and hunting particularly.

Married, with a son and daughter, he has six grandchildren.

* * *

Gas Association Chief

It seems particularly fortunate at a time when Canada's gas industry is on the threshold of unparalleled expansion that a man experienced in business management should become president of the Canadian Gas Association, spokesman for the rapidly growing industry.

Frederick Roland Palin of Chatham, Ont., a chartered accountant with 20 years' experience in the gas industry, was elected association president at its 49th annual meeting at Murray Bay, Que.

In business life, Palin is assistant general manager and chief financial officer of Union Gas Company of Canada.

Palin was born and educated in Toronto, and prior to entering the gas business, worked first in the Bank of Nova Scotia and then in the auditing firm of Clarkson, Gordon and Co. He obtained his C.A. in 1934.

Two years later he joined Union Gas Company as assistant comptroller and assistant treasurer. In 1942 he was appointed comptroller, secretary, and treasurer of the company and of United Fuel Investments, Ltd., of Hamilton, and its subsidiaries. In 1954 he was appointed assistant general manager, retaining the titles of secretary and treasurer.

His principal aim as C.G.A. president will be to increase the facilities and services of the association. His term of office coincides with the beginning of the project that will make Alberta natural gas available in Eastern Canada.

When natural gas is available throughout the country, the impact upon the Canadian economy will be tremendous, Fred Palin comments. Natural gas is expected to supplant manufactured gas in all markets to which it will be piped, and become available to many areas not now served by any pipeline.

Today, on utility lines, there are 877,000 gas meters serving Canadians in home, business and industry. The Canadian Gas Association, with its current 430 membership, expects a tremendous expansion in the volume of gas sold as the public becomes more aware of its advantages wherever heat is required.

Mr. Palin sees natural gas playing a most important role in offsetting any shortage of energy. And, he points out, as Alberta's gas goes into the nation's markets, hundreds of millions will have to be spent immediately on gas industry expansion.

One of Fred Palin's major contributions to the Canadian gas industry has been in the field of taxation. For many years he was chairman of the taxation committee of the C.G.A.

He has been a member of the Association's executive during the last seven years; and succeeds to the presidency from the office of first vice-president. He is a director of the Natural Gas and Petroleum Association of Canada, and has been actively associated in committee work with the American Gas Association. He also holds memberships in the Controllers' Institute of America, and the American Management Association.

A Rotarian, his spare-time hobbies are philately and fishing. He makes his home in Chatham with his wife and two daughters.

* * *

Jumped With St. James

Alfred William Hanks, owner of the St. James Leader, and the city of St. James where his paper is published, have followed parallel courses.

This spring the municipality of St. James got its charter of incorporation as a city without ever having passed through the intermediate village and townstages. Hanks was national president of the Canadian Weekly Newspapers' Association a few years ago without ever having been president of the Manitoba Division. However that oversight has been corrected now. At its recent 37th annual meeting in Winnipeg he was elected top man of the weeklies in his own province.

MR. HANKS

It is another coincidence that St. James became a city on the 44th birthday of the St. James Leader. Hanks acquired the Leader in a sort of family deal from his father-in-law in 1933. His acquisition was a switch from civil engineering. Born almost 60 years ago in Wakefield, Yorkshire, England, where his father was an insurance agent, the family moved to Kingston, Ont., when he was 10 years old. Four years after they moved to Winnipeg. On graduation from high school Hanks took his course in civil engineering and worked as an engineer with Canadian Bridge Co. and Dominion Bridge Co., until he went into the newspaper business.

A slightly built and quiet-mannered man, he has always had a strong aversion to loafing, more pronounced as he got older. Hanks has been president of Prairie Publishers Co-operative since it started at Regina in 1953. This organization, owned by 87 weeklies in the three prairie provinces, supplies ready printed inside pages and certain editorial services to smaller weekly papers.

Now that St. James has become the third largest city in Manitoba Hanks is continuing as chairman of its Parks Board. This job fits in with his chief hobby and recreation, gardening.

What Others Are Saying

Editorial of the Week

Not New But Always News

Orillia Packet and Times

All opinions to the contrary, atomic explosions have virtually nothing to do with the weather. But there are plenty of people who will continue to insist: (1) that the scientists are wrong or (2) that for some deep, dark mysterious reason science isn't telling the people of the world the truth about the matter.

Those who believe this appear to be supported by the strange way weather has been acting. There have been hurricanes and tornadoes, great floods. Record highs and record lows of temperature are reported with regularity.

We have a feeling that much of the todo about the world's weather in recent years has been the result of people becoming much more weather-conscious than they were before.

For example, extremes of weather probably occurred with the same frequency years ago, but did not receive the same high degree of publicity that they do today with so many media bringing news of the world to people. A case in point were the hurricanes of the past couple of years. They became popularized, were given the names of girls, and were tracked with detailed accuracy by the modern weather bureaus. The result was that people became "hurricane conscious" and more aware and more frightened of the big storms than they would have been a few years before.

But whether the weather is affected by atomic explosions or not, it seems quite apparent that there is very little, if anything, puny man can do about the mighty forces of nature.

Other People's Views

TIMES HAVE CHANGED radically indeed, says the **Stratford Beacon-Herald** which observes: "An oldtimer is one who remembers when people gathered to give thanks for a bounteous harvest, rather than to decide whom to blame it on."

WE HAVE NO SYMPATHY with those who oppose the use of American capital in the development of Canada, declares the **Kingston Whig-Standard.** "Not only has it helped to develop our country and provide work for hundreds of thousands of Canadians, but immediately it is invested in Canada it becomes subject to the laws of Canada and contributes millions in taxes to our Federal Treasury, just as if it had been invested by Canadians."

TRANSFER OF THE COLUMBIA RIVER DISPUTE from the International Joint Commission to the diplomats, says the **Victoria Times,** "in one sense is a retrograde and regrettable step. The whole purpose of the existing treaty was to detach the administration of international rivers from the sphere of politics, to place it under a non-partisan tribunal and to surround it with an established code of law. The Laurier Government desired this system because in various diplomatic encounters with the United States—notably the Alaska boundary dispute—Canadian interests had usually suffered. Now we seem to be returning to the old method of negotiation in which local politics and diplomatic pressure will be unavoidable. On the other hand, the arrangements presently under way may offer Canada its first opportunity to repair the grievous damage of the Alaska boundary award."

THERE'S A NEW FEELING of optimism in Nova Scotia, reports the **Halifax Chronicle** which lists several examples of recent industrial and farm expansion." There is a new and optimistic spirit, replacing that of wasted regrets and gloom. It should be heartening to everybody because it concerns everybody. It should be even more encouraging because those who have embarked on the new undertakings are not adventurers, here today and gone tomorrow, but experienced leaders whose example is worthy of being followed."

The Financial Post

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June 30, 1956

Many Happy Returns

Nation United Under Strong but Flexible Basic Law; Federation Successfully Balances Local, Central Power

By J. B. McGEACHY

Nobody may feel inclined to think about constitutional questions on this hot holiday weekend (let us assume it will be hot) but now is the time for such pondering. For the event we celebrate on July 1, Dominion Day, or Canada Day as some prefer to call it, is the birth of the Canadian constitution.

J. B. McGEACHY

The American explode firecrackers on July 4 in memory of their decision to cast off George III in 1776. The French dance in the streets on July 14 in honor of the revolutionaries who stormed the Bastille in 1789 and let all the scalawags of Paris out of jail.

What we have to shout about on our national day is the passing of an Act of Parliament in 1867—and in London, England, at that; a prosaic affair by comparison with hurling defiance at monarchs.

The tidiness and respectability of modern Canada's birth pangs were, some would say, typical. Our country has never had a revolution. The nearest approach was the rebellion led by William Lyon Mackenzie, an event which has some of the flavor of comic opera and to this day is regarded by many as mildly disreputable even though it succeeded in the long run. (There were Canadians whose antipathy to W. L. Mackenzie King was really rooted in the belief that his grandfather was no gent, and that no gent would flaunt that grandfather's name in front of his own patronymic.)

Not a Thriller

The Canadian constitution, then, is no thriller. Canadian scholars have written numerous extremely dull books about it; but the outside world has paid little attention. Gladstone said about the U. S. constitution that it was the greatest work of political genius ever to flash from the human brain at one point of time. Nobody ever thought of saying anything as nice as that about the BNA Act.

In fact, almost the only famous remark by a non-Canadian about this country's political system was distinctly derogatory. It was this comment by Lord Bryce in his book, Modern Democracies: "In Canada ideas are not needed to make parties, for these can live by heredity, and, like the Guelfs and Ghibellines of mediaeval Italy, by memories of past combats." Written in 1920, this is arguable in 1956. Or is Social Credit now as hereditary as Liberalism or Toryism?

The most learned British writer on the American constitution, and a warm admirer of it, is Prof. Denis Brogan of Cambridge. It is his view that American federalism "has been far more successful in its combination of local autonomy with central strength than Brazil, Australia or Canada have been." Leaving this point aside for the moment, let us look at Prof. Brogan's criterion of excellence. A good constitution, he suggests, is one that has stood the test of time; and he says, in praise of the American constitution, that it is "the oldest unchanged system in the world."

A Venerable System

North Americans seldom think of anything they have made as antique (the youth of America is its oldest tradition, said Oscar Wilde) but the BNA Act, 89 years old next Sunday, must rank among the two or three most ancient (basically unchanged) constitutions on earth.

If this sounds like a paradox, consider the state of world politics in 1867. France had an emperor; Spain had a king, Russia had a tsar. The United Kingdom included all Ireland and had a House of Lords that still exercised full legislative power and supplied Prime Ministers. The King of Prussia had yet to become German Emperor. A pope-king ruled in Rome. India was a dependency. Yugoslavia and Czechoslovakia were unheard of. There was no Poland. A Turkish Empire governed the Middle East. The shogun ruled Japan; the mikado had not yet arrived. China was under the Manchus. Norway and Sweden were one kingdom.

Thus in a world of freshly minted political systems Canada's BNA Act is not just respectably old. It is venerable. Of course our system is not wholly unchanged. The Governor General now represents the sovereign, not the British Government. The Supreme Court is now the tribunal of last resort, not the privy council. But these are mainly changes in form, not substance.

Erroneous Belief

It is a common belief that Canada became a sovereign nation quite recently, but this is a myth invented for the glorification of quite recent politicians.

True, it was some time after 1867 that Canada built transcontinental railways, set up a "national" tariff, made treaties, appointed ambassadors, fought wars, entered alliances, paid attention to its own poets and painters and otherwise behaved like an adult country. The point is that from 1867 onward Canadians had the legal apparatus they needed for these enterprises.

All they had to do was act like sovereign citizens, instead of merely talking about it, and convince other people that they had to be taken seriously as a community running its own affairs. This they did a long time ago.

When the CPR was finished in 1885, the U. S. Secretary of State announced with brotherly love and pride that "Canada is now a nation." With a certificate like that on file, it was superfluous for other men 40 or 50 years later to undertake to prove, with a mere parchment instead of a railway, the same thing all over again.

To return to the erudite Mr. Brogan, he notes that survival is not the only test of a constitution. The glory of the U. S. system, as he points out, is that under its sheltering wing the Americans have united half a continent, waxed strong and rich, defended their independence, enjoyed free government and had a profound effect on world history. All this, of course, is true; but the same things can be said of our dusty old BNA Act except that the growth of Canadian wealth and influence has been (so far) on a much smaller scale though on as big a map.

Few Canadians give a thought to the fact that the BNA Act has seen us safely through the political squalls and hurricanes of nearly a century; and perhaps it's not a bad thing to go through life without worrying about the basic law of the land. A constitution is like a pair of shoes. If they hurt, better throw them away and get new ones. If they're comfortable, they're unnoticed.

The Canadian constitution has been comfortable, like few others. But so has the U. S. constitution. Yet our American friends not only talk about it all the time but revere it like a sacred text. It would be too much to ask Canadians to revere the BNA Act but, once a year on July 1 anyway, they might give it an affectionate thought.

Newfoundland to Yukon

Under its aegis, the nation has been extended from Newfoundland to the Yukon. (Unfortunately we missed Alaska; too late to put in a bid before Secretary Seward bought it from the Russians for $7 million in 1867). Jefferson probably broke the constitution when in 1803 he paid Napoleon about $20 million for "Louisiana," now a wide belt of states stretching from the Dakotas to the Gulf of Mexico; but as neither Jefferson nor Napoleon is around today the point is not likely to arise. However, it's worth noting that the BNA Act digested the Canadian West, and later Newfoundland, with no strain.

In coping with malcontents, Indian and other, who objected to the westward sweep of empire, Canada had far less trouble (only the two Riel rebellions of 1870 and 1885) than the U. S. But then the Americans had far more malcontents to contend with. One obstacle they didn't have to bestride was the Canadian wilderness (as it then seemed to be) north of Superior. Getting over that hump was one of the greatest feats of imagination and courage in recorded time.

What have these achievements to do with the constitution? Only this: that if it had been a badly-drawn constitution, not flexible enough or not providing adequate power at the centre, this job of nation-building could not have been done — or not without scrapping the BNA Act and trying something different.

Protection of Minorities

Adequate power at the centre—but, at the same time, adequate local home-rule and protection of minorities. Canada has been uniquely successful among federations, in spite of what Mr. Brogan says, in balancing local against central power so as to safeguard minority rights and unite people of different faiths and languages.

To continue the comparison (unavoidable in all these discussions but not odious if good-tempered) the American constitution has been used as a model round the world; but so has the Canadian constitution. The four pillars of the Canadian plan are these: full sovereignty; federalism with division of powers; the parliamentary system; a link with the rest of the Commonwealth. This has been the pattern for several new nations that have come to life since 1867. Indeed it can be said that the Commonwealth was invented here; but that is another story.

It Has Its Faults

Of course the BNA Act isn't perfect. The Senate, for example, is not a success. With due respect to its able and public-spirited members (it isn't their fault), the Senate isn't as useful as it might be. The trouble may be a trend. In every parliament with two chambers, one of them is on the rocks or veering that way. In Washington the Senate has great prestige, the House very little. In London the Lords, still brilliant in debate, no longer have any law-making power. Still, it would be interesting if someone could find a way to save the Canadian Senate from slow oblivion.

Another anomaly is that the BNA Act can only be amended at Westminster where it was passed, a flaw which must be corrected somehow some day. Meanwhile, let no one say that Canadians haven't "a constitution of their own." For the BNA Act was made in Canada, for Canada, by Canadians; and British MP's, puzzled to know why the job is still theirs, will somnolently make any changes (from deleting a comma to repealing the whole thing) that Canada asks for.

So, shall we give three cheers for the fathers of confederation and say they built better than they knew? Certainly not; they knew very well what they were about. For the evidence read Charles Tupper's speech to the Mechanics' Institute of Saint John, New Brunswick, in 1860. It is in his memoirs and it might be, though it isn't, as well known to Canadians as the second Lincoln inaugural is to Americans. Shortened, this is what he said:

Tupper's Vision

"Possessing as we do the healthiest climate in the world, with an immense area of fertile soil, and abounding in the richest mineral resources, all we require are wise political arrangements . . . Who can doubt that confederation, to which the great Red River country and Saskatchewan and British Columbia would be added, would give us the political position due to our extent, our resources and our intelligent population . . .

"Untrammelled either by slavery or the dominance of any established church, presenting almost the only country where the great principles of civil and religious equality really exist, British America, stretching from the Atlantic to the Pacific, would in a few years exhibit to the world a great and powerful organization."

Thus spoke Tupper in 1860 when the Canada of today was only a dream. The makers of the BNA Act included some of the best and boldest political minds of the 19th century. They are worth remembering.

HEDLEY ROSS

has been appointed president of Scarfe & Co., Brantford, Ont.

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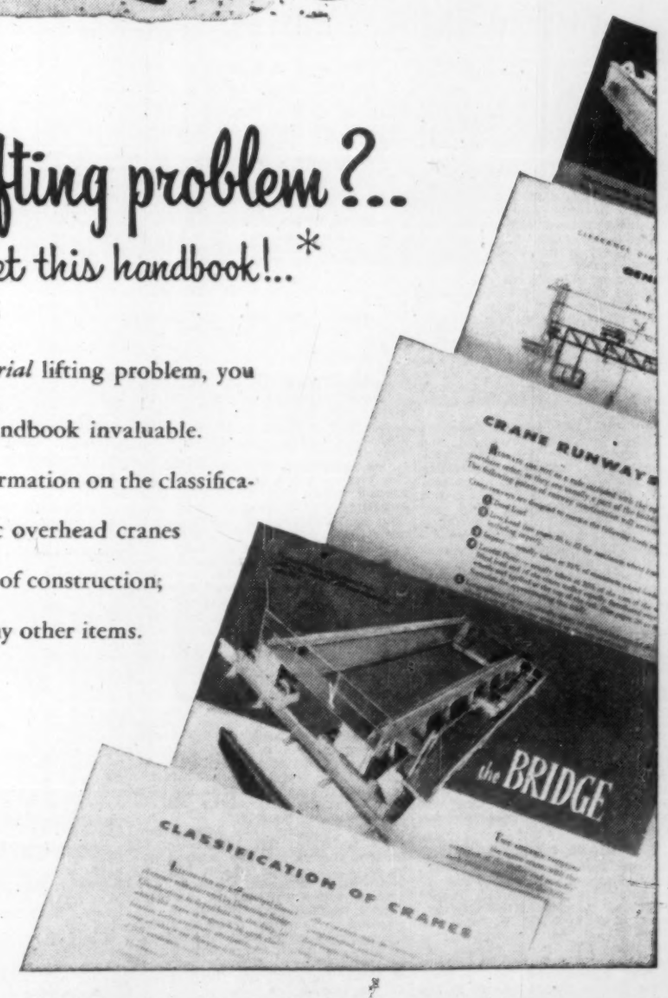

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ROLLS-ROYCE LIMITED

EFFECTS OF STRIKE REVIEWED

LOST TURNOVER LARGELY OFFSET BY INCREASED COMMERCIAL WORK

CONTRIBUTIONS TO GUIDED WEAPON AND NUCLEAR ENERGY DEVELOPMENT

UNIQUE POSITION AMONG WORLD'S AERO ENGINE BUILDERS

LORD HIVES ON ACTIVITIES AND PROSPECTS IN MANY SPHERES

The Forty-ninth Annual General Meeting of Rolls-Royce Limited will be held on July 10 at the Midland Hotel, Derby.

The following is the statement by the Right Hon. Lord Hives, C.H., M.B.E., LL.D.,D.Sc., chairman of the company, which has been circulated with the report and accounts for the year ended December 31, 1955:

ACCOUNTS

There is little doubt that but for the strike at our Scottish factories, the turnover within the group during 1955 would have established yet another record. Production in Scotland, however, was at a standstill for seven weeks. In other respects the output must be regarded as satisfactory because it was achieved in spite of changes in Government programmes and the inevitable difficulties associated with the change-over of models in the motor car division. The loss of turnover which resulted from these causes was to a large extent offset by satisfactory increases in commercial work, particularly in the aero engine division and also in the oil engine division.

It would be misleading to interpret the real cost of the strike only in terms of immediate loss of profit, though even by that criterion the cost was substantial. Not only was there the loss of profit on the normal turnover, but there were the high costs of maintaining the establishment — including the payment of salaries to 4,000 members of the staff — so that work could be resumed as quickly as possible. The effect of these costs on the trading profit for the year is obscured by the improved trading results from our increased commercial business, and it is a great disappointment that the efforts which have gone to securing this new business, bringing in its train greater stability of employment and, indeed, work for more people, should be so nullified.

Royalties received from our licensees are slightly lower, but still constitute a very satisfactory amount of income. It is, of course, inevitable that there should be fluctuations in the activities of our various licensees due to circumstances which are outside our jurisdiction.

A strong liquid position throughout the greater part of the year enabled us to place surplus funds to advantage, and has resulted in a higher income by way of interest.

Reference has been made on previous occasions to the large proportion of profits which are abscrbed by taxation, and also to some of the circumstances such as initial allowances on capital equipment and variations in the level of our inventories which, by reason of our conservative method of valuation, can affect the tax provisions required from year to year. This year we are starting to receive substantial allowances on the capital expenditure which is being incurred on scientific and research projects such as our high altitude plant. The effect this year is to reduce our taxation charge by some £240,000.

As a result of the relatively lower provision for taxation the profits available for appropriation show little change from the previous year. Your directors have already announced their intention to recommend a final dividend at the same rate as last year, namely, at the rate of 12½ per cent. on the capital as it was constituted at December 31, 1955.

There is much that is encouraging in our assessment of the future, but we must continue to conserve our resources to meet the heavy expenditure involved and there are the inevitable risks attendant on new projects; your directors have no hesitation in recommending that a further substantial appropriation should be made to general reserve.

The balance-sheet does not, of course, reflect the issue of new capital which was made earlier this year, but it does show that shares to the value of £309,617 have been taken up by our employees under the scheme which was initiated last year and to which I will make further reference.

Under the heading of deferred liabilities increased provision has been made both for retirement benefits and future expenditure under guarantee. I refer elsewhere to the special provision which has been made for pensions. The provision for expenditure on guarantee work reflects the increased responsibilities, both technical and financial, which stem from the expansion of our commercial business and from our ventures into new markets. It cannot be stressed too often that the successful development of overseas markets is dependent upon a full acceptance of these responsibilities.

The effect of the Scottish strike is again reflected in the principal items of current assets. The temporary cessation of production resulted in a reduced amount of debtors, but a substantially increased amount of stock.

Capital expenditure, of which details are given in the directors' report, absorbed the bulk of our available funds after earmarking the amount required to meet our tax liabilities.

SHARE CAPITAL

At our last meeting the stockholders approved proposals that 10 per cent. of the issued equity capital should be constituted as workers' shares, and £600,000 in workers' shares of 10s. each were created. Since then the issued capital has been increased by £1,100,000, and the directors recommend that in pursuance of the policy approved last year a further £110,000 of the unissued capital of the company should be designated workers' shares. Appropriate resolutions are being submitted at an extraordinary general meeting which will follow this annual meeting.

Last year an offer of workers' shares was made to all employees having more than five years' continuous service—some 18,000 people —and as a result 619,234 workers' shares were issued, although applications received were considerably in excess of this figure. These shares are now held by 6,600 employees.

It is the present intention of the directors to make an issue of workers' shares each year until the total amount has been taken up. In this way it will be possible to offer a participation to employees as they become eligible year by year, and also to reserve shares for those who may not immediately be in a position to pay for them.

A review of our lists of Ordinary stockholders made before the recent issue revealed that out of a total of 12,000 Ordinary stockholders at least 1,100 were employees. This figure has, of course, been increased as a result of the recent issue.

It must be a source of strength to the company that so many employees have voluntarily invested their own savings in the company.

I have already explained to stockholders the circumstances in which your board felt it necessary to raise fresh capital. I am glad to say that the offer was well received, and I am confident that the projects to which this new money will be devoted will strengthen the company's competitive position in the years ahead.

PENSION SCHEMES

Last year I referred to the company's pension schemes and explained the necessity for an appropriation to deal with a large body of employees who, because of their age or conditions of past service, required special consideration. There are still a number of older workers whose benefits under existing schemes have been drastically reduced in value by the progress of inflation, and for whom it is the practice to grant additional pensions. To meet existing and future cases of this kind, an amount of £250,000 has been charged in this year's accounts.

BOARD APPOINTMENTS

Mr. A. G. Elliott, who had at the request of the board stayed on after the normal age for retirement, resigned at the end of 1955. Mr. Elliott had served the company for 43 years, and had been a member of the board since 1945. Many tributes have already been paid to Mr. Elliott; he will be missed by all his colleagues, not only for his wide experience and sound judgment, but for the personal qualities which made him such an admirable companion. It would, indeed, be true to say that Mr. Elliott has done as much as any other person to pass on to the present generation the engineering traditions upon which the success of the company has been built and upon which its future success must always depend.

To fill such a gap in our ranks was not an easy task, and your board consider themselves fortunate in obtaining the services of Mr. Whitney Straight, whose record is well known to you. Mr. Straight brings to his new task a wide experience in many of the fields in which we are interested.

THE ROYAL WARRANT

I am very proud to be able to report that her Majesty The Queen conferred the Royal Warrant on the company last July for the manufacture of motor cars.

GENERAL REVIEW

I must first pay tribute to the great achievement of Fairey Aviation Company Limited in regaining for Great Britain the world speed record at a speed of 1,132 m.p.h. It gave us great satisfaction to be associated with this fine performance, and it is of interest to record that the engine used on this occasion was an Avon engine taken from our normal production and in no way specially designed for this effort.

The strength of the company's position continues to grow from the experience gained in the use of its products throughout the world. Many thousands of gas turbine engines and vehicle engines of all kinds are being operated under a wide variety of conditions. There is no substitute for experience of this kind, and it is against this background that we are constantly effecting improvements which enable us to probe new markets and move into new fields of technical development with confidence.

Your company has, for some time, been considering how best it could contribute to the Government programme for the development of power plants for guided weapons. Following the removal of security restrictions between the United Kingdom and the United States of America, your company was in a position to take advantage of the valuable work already done by North American Aviation, Inc. in this particular field, and a licence agreement has been signed which will enable your company to place at the disposal of the British Government the results of much American development to which our own knowledge and experience will be added as time goes on.

Your company has also taken steps to study the application of nuclear energy, and has entered into an association with Vickers Limited and Foster Wheeler Limited in a project which will enable the company's engineering skills to be adapted to this new field in which the future development will depend at least as much upon engineering as physics, once adequate supplies of fissile material are made available to industry.

These, however, are only examples of the way in which your company is continually looking ahead. For the present and the immediate future we continue to supply by far the largest proportion of engines required by the Royal Air Force, while our business for other customers, and particularly the civil airlines, continues to expand steadily.

Our motor car division had to contend with the production difficulties which accompany the introduction of new models but output was increasing satisfactorily by the end of the year and there has been a sustained demand for the new cars both at home and abroad.

The oil engine division have had their products accepted in many new markets, and have, undoubtedly, benefited from being able to draw upon the company's resources to enable them to meet their growing programme.

The combined turnover of the group for customers other than the British Government expanded still further to a figure of £23 million, and new orders were received at an even greater rate.

In Canada our subsidiary company had a busy year and can look forward to a high level of activity derived from the growing use of our products, particularly by airlines in both Canada and America.

Our company in Australia completed its first year's trading, and although its operations were on a comparatively small scale it has already established a good reputation for the work which it has set out to perform.

The total personnel in the United Kingdom increased during the year to a figure in excess of 36,000. The increase could, indeed, have been larger if there were available the people with the necessary qualifications for the many new highly technical projects in which your company must increasingly become committed. I referred last year to the importance which is attached to training schemes within the company, and equal importance and support has been given in the wider field to schemes which will improve the supply of scientists and technicians generally, both in number and quality.

I have already referred to the financial effect of the strike at our Scottish factories, but I think it is very important that your company's attitude should be clearly stated. Rolls-Royce Limited has, since its inception, been a firm supporter of trades unionism as a means of safeguarding the legitimate rights of the worker, but your company will oppose, by all the means at its command, any attempts to use the cloak of trades union activity to achieve political objectives which take no account of the real interests of the workers, and which in this case were so blatantly used to prejudice the liberty of an individual. I would take this opportunity of thanking the many stockholders who have already voiced their support, and I would also commend the conduct of the factory management under very difficult conditions.

AERO ENGINE DIVISION

Our production factories were fully occupied throughout the year with programmes for the British Government, for foreign governments, and for civil aircraft — the Viscount in particular.

British Government. — New production for the Royal Air Force consisted of Avon engines for the Canberra, for the different versions of the Hunter, and for the Valiant four-engined bomber, all of which are now in squadron service. In addition, Avon engines have been supplied for Comet II aircraft for the Royal Air Force Transport Command.

It is interesting to note that during the year the last production contracts for piston aero engines and for centrifugal jet engines were completed. This first generation of jet engines has been in production for 12 years.

The equipment of the Defence Services with sufficient quantities of the present range of engines will continue to occupy a large part of our production capacity. We have, in addition, a substantial programme for the manufacture of the engines required for aircraft which are at present in the prototype stages or under development. These include the equipment of the Canberra for high altitude flight, the English Electric supersonic fighter, and the two naval aircraft being constructed by the de Havilland Aircraft Company Limited and Vickers-Armstrongs (Aircraft) Limited, Supermarine Division, respectively.

The decision to discontinue work on the large military transport V 1000 was naturally a disappointment to both Vickers Limited and ourselves because we are confident that there is a big future in the field of long-range operation for the Conway by-pass engines with which this aircraft was to have been fitted. I am glad to say, however, that the development of the Conway engine will be pressed forward so that its merits may be clearly demonstrated.

The number and variety of engines and component assemblies which are required to be made to support the development programme of both the engine builder and the aircraft manufacturer have been increasing in recent years, partly because of the wide variety of aircraft projects, including many interesting research projects; also because the problems to be solved at every stage of development get more complex as the duties demanded of modern military aircraft are made more onerous by the combination of such factors as speed, height, and modern weapons systems. A new machine shop has now been brought into use for experimental manufacture at Derby, while both at Derby and Barnoldswick each year sees the introduction of new precision machines to assist the rapid production of the small quantities of special components.

The range of equipment required for the development of modern engines continues to increase. Last year I told you of the decision to provide a facility for testing engines under high altitude conditions. This project has been prosecuted with great energy because the information to be derived from such a plant is vital to our future plans and is becoming impossible to obtain by any other means. It is clear that the final cost, at the present level of prices, will be in excess of £4 million.

The testing of engines in flight will, however, continue to play a very important part in any programme of development, and an airfield with adequate runways is an essential piece of scientific equipment. This work is undertaken at our Flight Test Establishment at Hucknall, near Nottingham, but until recently the extraction of coal from beneath our airfield has prevented the construction of runways suitable for the operation of modern aircraft under all-weather conditions, and this has placed an added burden on all responsible for the flight-testing programmes. I am, therefore, glad to be able to report that, with the co-operation of the National Coal Board, local authorities, and the support of the government departments concerned, a hard runway of greater length has now been completed at a cost of about £250,000.

Foreign Governments.—Our business with foreign governments has been well maintained, and Rolls-Royce engines are being installed in aircraft built in America, Australia, Belgium, Canada, France, Holland, Italy, Spain and Sweden.

Civil Aviation. — The steadily growing output of Vickers Viscount aircraft has, of course, to be matched by our output of Dart engines. In last year's report I recorded that 300,000 engine-hours had already been flown in scheduled service. This figure has now increased to nearly a million hours, and it is being added to at a steadily increasing rate.

Great prominence has been given in recent months to the aircraft and engines being considered for future airline operation, and there will, undoubtedly, be much competition for the available business. The Dart engine, however, is still the only gas turbine engine in the world operating scheduled services, and is the only turbine propeller engine in quantity production at the present time. The future of this engine is already assured, and there are still further developments in increased power and reduced fuel consumption to come.

Interesting plans are already taking shape for the manufacture in Holland and America of "Friendship" aircraft designed by the Fokker Company and using Dart engines.

There is no doubt that the reputation established by the Dart engine, and the widespread facilities which are already available for service and overhaul work, will increase its attraction as a power unit for both present and future aircraft. In addition to facilities at the company's own factories in Derby, Glasgow, Montreal, and Sydney, overhaul bases already exist in Winnipeg, Washington, Paris and Venezuela, and plans are in hand for still further extending this network in places as far apart as Los Angeles, Beirut and Holland.

In addition to the programmes for new engine production, the production of spare parts assumes increasingly important dimensions. Some indication of the volume of this business can be gauged from the fact that some thousands of engines have gone into service in the last five years. The high utilization of civil engines, and the growing number of these engines in service, is already producing a cumulative demand for spare parts for which it may be necessary to seek additional manufacturing facilities in the event of other demands on our production resources being maintained at the present level.

I have already referred to the competition which is developing among aircraft and engine builders for the future transport aircraft of the world. Your company is in a unique position among the areo engine builders of the world in having under development four different types of gas turbine engines specifically designed for transport operations.

Reference has already been made to the future developments which we have in mind for the Dart. The Tyne, which last year was referred to under its project number RB 109, is making good progress through its various stages of development, and within a year of its first being run it has completed a 150-hour test. This turbo-propeller engine has already been adopted for the Vickers Vanguard, and is an attractive installation for any aircraft of similar size.

Our range of Avon engines has been increased to include a special version, the RA 29, which has been designed to give the best possible fuel consumption for civil operations. This engine is already on order for the Comet IV and the Caravelle which will be operated by Air France. The Avon RA 29 is equally suitable for other jet aircraft which are under consideration in the medium to long range class.

Our fourth engine under development is the Conway, which embodies the by-pass principle. It is a matter of considerable satisfaction that even at this stage the merits of this engine have been recognized by Trans-Canada Air Lines, who have selected it as the power unit for the Douglas DC 8 aircraft which they have recently ordered.

The International Air Transport Association have issued figures which show that in 1954 only 8 per cent. of the engines used by the members of the association were British engines. At present their fleets are powered largely by piston engines. The inevitable change to gas turbine engines which is going to take place over the next 10 years clearly presents a tremendous challenge to all concerned with the development of British aero engines to obtain a larger share of the business and at the same time make a significant addition to national exports. In accepting this challenge, and at the same time maintaining the pressure on development work for future military requirements, your company have undertaken what is, indeed, a formidable technical programme and one which will involve the spending of very considerable sums of money in the foreseeable future both by way of private venture development and the provision of the necessary equipment such as the high altitude plant to which I have already referred.

I have dwelt at some length on the prospects for our engines in civil operation because it is clear that our future, and, indeed, the future of the British aircraft and engine industry, depends upon obtaining a larger share of world markets.

MOTOR CAR DIVISION

In my statement last year, I said that the new Rolls-Royce Silver Cloud and "S" series Bentley models which, at that time, had been recently announced, had met with great approval. This view has been confirmed by subsequent and fuller experience. It is particularly pleasing that foreign markets have reacted so favourably, although there are few countries to which we have unrestricted access.

Production of the new cars got away to a bad start because of supply difficulties, and the output for the year fell considerably below the planned figure. Towards the end of the year the situation began to improve. This improvement has been maintained to such an extent that at the time of writing this report the Crewe factory is producing cars and also exporting them at a higher rate than at any previous time in the company's history. The Continental Bentley is now available with a choice of three bodies and continues in steady demand. In addition to the benefits derived from the general programme of engineering associated with the "S" series, the special features demanded of a car in the Continental class continue to be progressively developed.

Despite this present healthy state of trade, however, the economic difficulties of the country, the continuing restrictions to international trade, and, above all, the ever rising costs of production, do not encourage us to be complacent about the future.

We continue energetically to develop the product. A power assisted steering mechanism, which was designed and developed at Crewe, was recently introduced on the export market. This innovation, which is abreast of the latest American practice, greatly reduces the fatigue of driving without sacrificing any controllability. It is one example, amongst many, of the calls upon our engineering talent. In common with other engineering concerns we find the great shortage of young technical recruits to the industry one of our greatest anxieties from the long-term point of view.

The output of "B" range petrol engines for use in military and commercial vehicles has been well maintained. These engines cover a range of horse powers from 80 to 230. They have built up a fine record of reliability both at home and abroad, operating under a wide variety of conditions.

During the year under review the division started to obtain the benefit of the additional space specially created for the manufacture of the automatic gear box. In addition, the new venture into the field of hydraulic torque converters resulting from the agreement with the Twin Disc Clutch Company of America has reached the stage where production has commenced. Over the course of the next 12 months a range of torque converters will be offered suitable for Rolls-Royce manufactured power units from 60 to 600 h.p. The application of these transmissions to rail-cars is being energetically pursued and a prototype installation embodying a Rolls-Royce oil engine will shortly be made available to British Railways.

OIL ENGINE DIVISION

The world markets for the products of this division continue to expand, and at present Rolls-Royce oil engines are operating in 53 countries extending from the Arctic Circle to New Zealand.

Considerable quantities are being used in earth-moving equipment, on opencast coal sites, and other public works throughout Great Britain. Prominent amongst the installations for this class of work are the Vickers VR 180 tractor and Euclid dumpers.

The application of our engines for various types of railway equipment is growing. Our engines are now operating in shunting locomotives, and contracts are in hand for their installation in rail-cars. In this field there is obviously considerable scope for the offer of complete installations embodying the company's torque converters as the means of transmission.

The range of power available has been extended in the lower range to 60 b.h.p. with the introduction of the four-cylinder engine and in the upper range to 300 b.h.p. by bringing the eight-cylinder engine into production.

On the manufacturing side, the planned output in 1956 will be more than twice that of 1955, and for 1957 a further 50 per cent. expansion is envisaged. To provide the necessary facilities for this expansion, an extension to the division's factory at Derby has been approved, which will approximately double the manufacturing floor space in this area.

OVERSEAS ACTIVITIES

Rolls-Royce of Canada Limited have again operated at a satisfactory level of profit and have contributed valuable service in support of the company's engines which are in service in Canada and the United States of America with Trans-Canada Air Lines and Capital Airlines, respectively. This side of their activities will expand considerably with the planned increase in the number of aircraft to be used by these operators. The year has also seen an extension of activity in support of the company's other products, and a depot has been opened at Vancouver for the benefit of customers on that coast. The company's manufacturing facilities were fully employed throughout the year, during which the initial contract for the supply of Nene engines to the Canadian Government was substantially completed.

Rolls-Royce of Australia Pty. Limited have completed their first year of operations. Their first objective was to provide a repair and overhaul facility for civil aero engines, and this they have done very successfully. It is interesting to record that Dart engines used in Australia have established a higher utilization than in any other country. The inevitable costs of bringing this unit into operation, coupled with the comparatively small volume of turnover, resulted in a trading loss for the year. The technical success which our team have achieved does, however, give us confidence in encouraging them to broaden the base of their activities, and there is every indication that the current year will see a substantially larger volume of work.

ASSOCIATED COMPANIES

Rotol Limited have traded satisfactorily. Rotol propellers continue to be specified by the majority of airlines using the Viscount aircraft. The company has continued energetically to maintain and develop the wide range of accessory equipment which is available for both military and civil applications. The board of Rotol Limited has recently been increased by the appointment of Mr. C. J. Luby as assistant managing director, Mr. L. G. Fairhurst as technical director, and Colonel C. W. King as works director—the two latter being executives of the company and Mr. Luby having been the first works manager of Rotol Limited on its incorporation in 1937.

Since the date to which these accounts are made up, arrangements have been concluded for the sale of a substantial part of the assets and business of Renfrew Foundries Limited, and the company ceased to trade at March 31, 1956. Steps are being taken to dispose of its remaining assets, and in the absence of unforeseen difficulties the amounts realised should more than justify the value placed on your company's investment in Renfrew Foundries Limited.

CONCLUSION

This is a survey of the present activities of our various divisions and of the future business after which we are striving.

Our business has grown on the reputation which our products have established over the years. This reputation reflects the skills of the individual engineers and craftsmen, and it cannot be emphasized too often that the creation of such men was never more important than it is to-day. If success is to be achieved, there must be the resources in men as well as in up to date equipment. No effort must be spared to create the type of people, both engineers and administrators, who can shoulder the responsibilities which grow with the diversity of our products and the international nature of our business.

I know that the stockholders would wish me to acknowledge the loyalty of the vast majority of our workpeople. The future of the company must depend as much upon their continued loyal support as upon determined leadership.

Ont. Gasline Contract

(Continued from page 1)

Trans-Canada. The 20-year contract involves delivery of 100 million cu. ft. of gas daily and will represent gross revenue to Trans-Canada over term of contract of $225 million.

Northern Ontario Natural Gas will distribute the gas to 25 municipalities and many industries located from Kenora in the west to North Bay. Volume of gas sold under the contract begins at 57 million cu. ft. daily in first year and builds up to 100 million daily in the fifth year.

This volume is larger than that the fifth year volume now anticipated by any other single distributer to be served by Trans-Canada. Additionally Northern Ontario Natural Gas has contracted for volume of seasonally firm gas ranging from 25 million cu. ft. daily in the first year to 10.4 million cu. ft. in the fifth year.

Over the 20-year term of the contract the arrangement with Northern Ontario Natural Gas will produce at a gross revenue of $225 million for Trans-Canada even without the anticipated increases, N. E. Tanner, president of Trans-Canada, states.

Wheat Forecast Is Big Sales, Big Crop

(Continued from page 1)

much, in the dryer regions of Saskatchewan hardly enough.

To the beginning of this week, very little crop anywhere was really suffering from lack of moisture and in most places, despite the late start, growth was up to normal.

With just a few more showers, mostly in Saskatchewan there is more than a 50-50 chance of a bumper grain crop this year.

This prospect means Canada's Government grain sellers may have more surplus worries by next fall, despite record wheat exports recently.

Wheat Exports Have Zoomed

By JACK McARTHUR

Once again the world is beating a path to Canadian granaries.

After months in the doldrums, our wheat exports have zoomed suddenly.

The prospect:

- Wheat exports for the 1955-56 crop year, ending July 31, may exceed 300 million bu.
- They already have topped the total for all of last year — 252 million bu.
- This means more room in country elevators for deliveries of farm-stored grain plus the certainty of bigger interim and final payments for grain already delivered.
- Thus western farmers will have more money, resulting in a business upswing in an area which has been a soft spot. Western retail sales already are about 10% above last year; a survey of auto buying intentions taken by a major automaker indicates the Prairie Provinces will be tops in per capita car purchases in the next 18 months.

Large Orders

Big orders — particularly from Iron Curtain nations — during the winter made it certain that wheat exports this spring and summer would be heavy, slimming our cumbersome surplus (FP, Jan. 28).

But, even with this expectation, export figures have been staggering.

For example:

—In the first six months of this crop year, exports fell behind the modest year-before pace, totaling only 115 million bu. In the following 4½ months, exports were 140 million bu.

—Exports in the month of May: 39.1 million bu., compared with 30.3 million in April and 15.6 million in May of 1955.

—In the second week of June, exports were 11 million bu. of wheat (highest of the year), while western farmers delivered 23.2 million bu. of all grains, the heaviest volume since late 1953. Those deliveries put something like $25 million into farmers' pockets, will mean still more income when the Wheat Board makes interim and final payments.

All this eases, but does not solve, our wheat surplus problem.

Look at the following figures:

Wheat carryover July 31 last: 480 million bu.

Crop: 495 million bu.

Available for sale this crop year: 975 million bu.

Even if we export and consume 470 million bu. (last year: 405 million), our carryover into the 1956-57 crop year will be more than 500 million bu.

Farm Consumption

Of course, there has been a lot of consumption on farms, for stock feed, which can't be calculated accurately. But this won't change the fact that Canada is going to have a big surplus for a long time yet.

What about other grains?

Flax has been a sensational performer, with commercial disappearance almost 60% above last year. Prices have been high, too.

Oats exports have been low, only 2.8 million bu. to June 13 of this crop year compared with 19.7 million in the same period a year earlier. Total oats disappearance is down about 24%.

Barley disappearance is down 16%, rye is little changed. There's still a lot of oats and barley stored on farms.

But wheat sets the western mood, which now is one of careful optimism.

As an important sidelight the upsurge in wheat exports takes the heat off the Federal Government and its marketing agency, the Wheat Board.

This was regarded as a crucial year in Canada's hold-the-line policy on wheat prices.

If our exports had continued to languish and our share of world markets had continued to slip, the pressure for a change in Canadian wheat selling methods would have become tremendous.

Our customers and our grain trade both have been pressing for changes, the former wanting lower prices the latter a freer market.

Meanwhile, the U. S. was undercutting us in world markets by means of expensive export subsidies and giveaways with which we could not compete financially.

Government policy was to stand pat, keep prices firm and wait for customers to realize their need for high-quality Canadian wheat.

To an extent this seems to have happened. However, a great part of our increased exports has resulted from sales of lower-grade wheat to European nations. And we did some selective price-cutting on that.

* * *

During the big wheat export month of May, 10 countries imported Canadian wheat in excess of one million bu. United Kingdom, 9.7 million bu.; Russia, 4.7; West Germany, 3.8; Belgium, 3.4; Czechoslovakia, 3.2; Japan, 2.8; Poland, 2.7; United States, 1.8; Netherlands, 1.4; and East Germany, 1.2 million bu.

Rail movement of grain is unusually heavy. Car loadings for week ending June 13 averaged 1,529 per day compared with 1,106 for the corresponding week of 1955.

Bigger sales and bigger quotas have increased farm deliveries. To June 13, producers' marketings of all grains were 395 million bu. as against 384 million last year.

Hoarders Buy More Gold

(Continued from page 1)

this year. The last budget (FP, March 24) eliminated all federal government obstacles to the holding of gold. Export licenses are no longer required and gold can come and go at the owner's whim.

Everybody is free to buy gold, hold it in Canada or sell it overseas without obtaining a permit. It's probably the first time since the '30s that major wraps were taken off individuals who might prefer to hold gold instead of paper currency.

Even provinces are clearing away stumbling blocks. Ontario, where it is understood that these recent purchases for storage were made, removed an obstacle in the form of the Unwrought Metal Sales Act. Quebec has yet to clear the way for its citizens to buy and hold gold, it is reported.

Next step, as mining men see it, is to build up enough of this type of international business to create an active market for bullion in Canada. Deals now are negotiated privately, usually with base metal mines that have gold as a by-product. But presumably, the day may come when anyone will be able to buy and sell gold through bullion dealers without actually seeing the bars.

The gold committee of the Canadian Metal Mining Association currently is studying the mechanics of an active gold market. Canadian gold mines, who want to take down cost-aid under the government's Emergency Gold Mining Assistance legislation, must continue to sell gold to Ottawa.

For the time being at least, the U. S. holds the key to any major change. Price of free market gold is pretty well in line with the official U. S. price of $35 an ounce. And the U. S. is the only country which is willing to buy all the gold offered at that price.

This is what makes it a "hoarders' market." It is the only commodity with a fixed price in U. S. money, and the hoarders believe that over the long term, that price is more likely to be raised than lowered.

'Variable' Annuities Clash Major Insurance Test Case

(Continued from page 1)

ties as the thin edge of the wedge. If this is sound for annuities, why not for endowment policies and even life insurance protection? This approach, he said, demonstrates that the insurance companies believe inflation is inevitable (which he doesn't) and the companies no longer have faith in their insurance product which offers guaranteed dollars.

In Canada, there is sharp interest in variable annuities and what is happening to them in the U. S. Should they become part of insurance company business there, many insurance men regard it as inevitable that they would spread to Canada, unless permission is withheld by the federal Department of Insurance.

So far, Canadian insurance men have adopted a wait-and-see attitude. There is no great demand now for such annuities in this country, they feel, but what happens in the U. S. will influence the course of events here.

Insurance men point out that variable annuities in the U. S. may not fall under the regulations of state insurance departments. Instead, similar to mutual funds, they might well eventually be made subject to U. S. Securities and Exchange Commission rules. The SEC has already claimed jurisdiction over a U. S. insurance firm formed recently to sell variable annuities in the district of Columbia, and last week asked a district court to bar the company from selling variable annuity life insurance policies.

If they were sold here, companies could probably include this type of business without changes in their charters — if the Department of Insurance considered this proper business for life companies.

Principles Aside

Aside from the principles involved in life company investment in equity capital, there is room for them: Most companies hold about 3% book value of assets in common stocks and the legal maximum is 15%.

Should it be decided that they could best be sold through subsidiary companies, legislative amendments would be necessary.

The Canadian Life Insurance Officers Association in its brief to the Gordon Commission noted the arguments for variable annuities as a hedge against inflation. It also held that the case against such policies was strong:

1. Insurance companies have built a reputation for security on the sale of fixed dollar contracts. Variable annuities could shake public confidence in the institution of life insurance.

2. Cost of living trends are not always closely related to stock market trends and this could be intensified should the demand for quality common stocks in this country increase.

Metropolitan Life's Frederic Ecker added to the list of drawbacks:

3. Common stock holdings in quantity could open the life companies to charges of controlling industry.

Gas Markets Head Skyward From B.C. To Golden Gate

(Continued from page 1)

in the field are looking principally for gas the good chance of striking oil is a strong added incentive in the current exploration drive.

To fulfill its destiny in the unfolding West Coast energy picture, however, substantially greater gas reserves will have to be proven up in this Peace River area over the next few years.

Top petroleum officials last year placed recoverable gas reserves in the area at some 3.5 trillion cu. ft., but the current drilling campaign has already expanded that figure considerably.

The combination of one of the hottest potential gas exploration areas and the virtual assurance of one of the biggest untapped markets on the continent is likely to bring a further speeding up over the months ahead in the rapidly accelerating development picture in the Canadian Northwest.

Under the 20-year contracts already signed with the three major customers — Pacific Northwest Pipe Lines, B.C. Electric and Inland Natural Gas — Westcoast is obligated to deliver a maximum daily of 269 million cu. ft. of gas the first year; 329 million cu. ft. the second year of operation and 398 million cu. ft. the third year and all the remaining years to 1977. But under the terms of the contracts all three companies have reserved the right to purchase substantial additional quantities of gas from Westcoast when they become available.

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Aug.	14	Empress of Britain
Aug.	21	Empress of France
Aug.	28	Empress of Scotland
Sept.	4	Empress of Britain
Sept.	11	Empress of France
Sept.	18	Empress of Scotland
Sept.	25	Empress of Britain
Oct.	2	Empress of France
Oct.	9	Empress of Scotland
Oct.	16	Empress of Britain
Oct.	23	Empress of France
Oct.	30	Empress of Scotland
Nov.	6	Empress of Britain
Nov.	13	Empress of France
Nov.	20	Empress of Scotland
Nov.	27	Empress of Britain

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LABOR ROUNDUP By JACK McARTHUR

Better Days For Textiles

Modest Wage Hikes Showing In Labor Contracts

Textile labor's story in the last year has progressed from thundered ultimatums against wage cuts to hard bargaining for wage increases.

Led by Harold D'Aoust's Textile Workers Union of America, unions waged a strike - backed fight a year ago against a developing pattern of wage decreases. Largely, they won their point.

Though beset by cost-price troubles, the companies feared to trigger strikes which would take them out of a highly competitive market for weeks or months.

So they signed no-change contracts. Now — a year later — the slightly improved position in textiles seems to justify the management decision to stay in the market, even if operating in the red, and the union decision to fight wage cuts.

There have been some strikes of course, most of them minor. The very big exception: The recently-ended 6,000-man walkout at four Dominion Textile plants in Quebec (FP, June 16). This strike probably resulted from mismanagement by the Union (CCCL Textile Workers).

With the textile bargaining season well under way, TWUA—biggest textile union in the nation and dominant in the Ontario industry — is winning some wage increases, a few fringe benefits. Most wage hikes are modest, although some go beyond 10c. But they are a comforting indication that the textile business has come back a little from recent bad years.

D'Aoust is optimistic. He thinks contracts with increases will become more frequent in the future; that the business will continue its recent uptrend.

TWUA and Canadian Cottons soon will start talks on a new contract for 2,800 employees in Cornwall and Hamilton. The union is going to conciliation with Hamilton Cotton (about 800 workers at Hamilton, Dundas and Trenton). There'll be conciliation, too, at Dominion Fabrics, Dunnville, and Dominion Yarns, Welland.

A new contract between the Union and Courtaulds at Cornwall (around 1,800 workers) is being wrapped up.

Once it firmly establishes a pattern of wage hikes (and assuming further improvement for textiles), TWUA probably will aim for shorter hours, more company payment for medical-hospital plans.

* * *

Judges, Lawyers Under Labor Fire

Coming to a head in Ontario — the yardstick province for most of Canadian labor — is a labor-instigated campaign of dissatisfaction with provincial machinery governing labor negotiation and conciliation.

The Ontario Federation of Labor has sponsored a royal commission-type fact-finding committee.

With the subject thus pushed forcibly forward, a strange mixture of groups and personalities now is clamoring for changes.

There seems to be no general agreement on what changes should be made. Much present dissent falls under these headings:

Time:

Unions object to the months, even years, which it sometimes takes to get through all stages i a labor dispute prior to strike time. In many cases, past practice suggests that time consumption prevents ill - considered strikes. But some experts declare long-drawn procedures shorten tempers and increase strike dangers.

Conciliators:

Do judges make good conciliators? Some certainly do (as in the case of top conciliator Judge Walter Little), but Labor seems to want a pool of fulltime conciliation experts. The difficulty: There aren't enough good conciliators willing to be members of such a pool. What about university professors? Some have made excellent conciliators (Eric Taylor is a former professor), but their record isn't any better than the judge's.

Lawyers:

The plea to keep lawyers and legalisms out of labor procedure is an old one. Let's forget about legal niceties and get down to real horsetrading, say many people in both labor and management. But labor law is becoming so extensive that it smacks of injustice to bar any party to a dispute from hiring a lawyer to sort out all the legal factors.

* * *

Labor Briefs

Steel strike deadline in the U. S. is midnight, June 30. With no settlement at midweek, a lot of observers were betting there will be a strike — but probably of short duration.

United Auto Workers may be the winner in the strike at Schultz Die Casting of Canada in Wallaceburg, Ont.

* * *

UAW struck Schultz in late May, demanding the 40-hr. week instead of 45. Schultz, not a big money-maker, stood fast, pointing out that the labor economy of the area was based on the 45-hr. week (FP, May 26). Now UAW has won the 40-hr. week in two smaller plants in the same area, thus cracking the old pattern.

* * *

Almost every week brings more evidence that the trend is to long-term contracts. For instance, at Kingston, Steelworkers settled with Aluminum Co. of Canada for a two-year 20c package. One angle to this trend: long-term packages sound impressively large because all the wage-fringe improvements over a long period are lumped together. Thus the publicity given the size of a long-term package often is relished by both company and union.

* * *

Organized trucking firms are building up strong opposition to Teamsters' methods of control-from-the-top, which feature suspension of usual constitutional aspects (like election of officials) in favor of control by an appointed trustee. Trucking groups make their stand despite the fact that many of their members — who must deal with the tough and, at times, vindictive trucking union — would just as soon see the matter left alone.

* * *

Strikes and lockouts in Canada during May cost the nation 136,510 man-days, compared with only 10,050 in April and 40,500 in May, 1955. Big cause of the high total was the 6,000-man strike at Dominion Textile plants in Magog, Drummondville, Sherbrooke and Montmorency, Que. That strike is over now.

ANNOUNCEMENT

T. J. MURRAY REID

Appointment of T. J. Murray Reid as a senior account executive in the agency's Montreal office, is announced by R. H. Vickers, President, Vickers & Benson Ltd. With an extensive background in food sales and merchandising, he brings to his new post ten years of advertising agency experience in Toronto and Montreal during which time he has contacted a number of major food accounts.

New Contract Soon At Inco?

Recent labor settlements in U. S. non-ferrous metals seem likely to hurry contract signing between Communist-line Mine-Mill Union and International Nickel in Canada.

Completion of formation of a conciliation board in the dispute is expected momentarily.

In view of its new U. S. agreements, Mine-Mill can hardly expect to do much better than the last company wage offer: A 4% wage increase each year over a two-year contract — an average of about 16c.

Apparently M-M doesn't want to sign a long-term contract at Inco. Yet it signed for two years in British Columbia and three in the U. S., seemingly slicing the ground from under its position at Inco.

In new contracts signed with three U. S. companies (Anaconda, American Smelting & Refining, Phelps-Dodge), M-M settled for wage increases amounting to 24c-25c hr. over three years.

Car Scrappage Rate Climbs

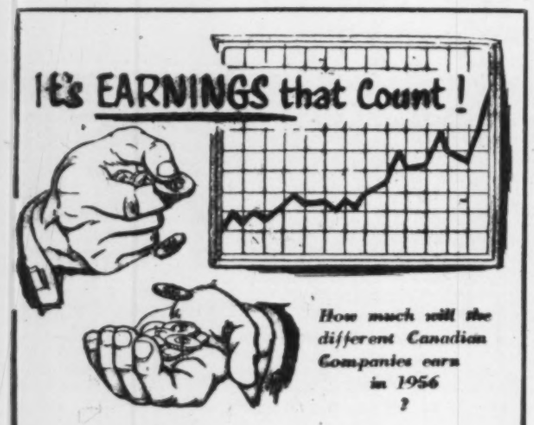
In the last three years, Canadians have scrapped 336,000 automobiles.

That's almost as many as the 349,000 they junked in the seven years 1946-1952 inclusive.

The high rate of scrappage is one of the reasons for high 1955-56 new car sales, Canadian Automobile Chamber of Commerce estimates about 37% of all cars and trucks produced in Canada last year were needed to replace vehicles which ended on the scrap heap.

Here are figures for the last 10 years:

	New Vehicle Sales	Scrapped
1946	77,742	3,794
1947	159,205	23,038
1948	145,655	19,414
1949	202,318	34,394
1950	324,903	81,...
1951	275,686	91,112
1952	292,095	90,262
1953	359,172	142,513
1954	310,546	141,045
1955	386,962	152,162
Buses and Trucks		
1946	42,302	3,013
1947	71,050	1,812
1948	75,645	17,994
1949	84,023	20,256
1950	104,792	23,538
1951	109,962	26,435
1952	108,682	27,332
1953	103,354	47,787
1954	72,082	27,845
1955	78,716	16,769

It's EARNINGS that Count!

How much will the different Canadian Companies earn in 1956 ?
Babson's again offer their unique annual feature:
"THE OUTLOOK FOR EARNINGS"
The Current Series deal with 84 stocks of leading Canadian companies, all of which have paid dividends continuously for at least ten years.
Among other features, you will receive for each stock:
—A definite forecast of 1956 earnings.
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—Current price-earnings ratio.
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As far as we know, this is the only earnings forecast of its kind available to the Canadian Public. This "Outlook for Earnings" can be invaluable to you in deciding what to sell, what to hold, and what to buy.
To obtain these exclusive informative studies, simply attach $2 to this advertisement, and send it with your name and address (Please Print) to
BABSON'S CANADIAN REPORTS LIMITED
Dept. FP—602 Harbour Commission Bldg., Toronto 1, Ont.

See Budget Surplus Sign Of Anti-Inflation Policy

OTTAWA (Staff) — The Government had a surplus of $274.2 million in the first two months of the 1956-57 fiscal year. In the comparable April-May period last year, the surplus was only $136,6 million.

The growth of the budgetary surplus is one more indicator of the government's concern over the current threat of inflation. Canadian monetary policy follows the classic precepts of cyclical budgeting: When inflation is the danger, spend less money than you take in; when deflation threatens, spend more than you receive.

Here is a summary of the Government's financial operations in the current fiscal year:

	MAY 1956	MAY 1955
	($ million)	
Revenues	485.1	382.3
Expenditures	301.6	278.2
Surplus	183.5	104.1
	APRIL-MAY	
Revenues	780.5	611.3
Expenditures	506.3	474.7
Surplus	274.2	136.6

Budgetary revenues of $485.1 million in May were the highest single month's total in recent years. They were $189.7 million greater than in the preceding month of April.

But with a record volume of money coming in, the Government kept its spending down to normal levels. Budgetary expenditures of $301.6 million in May were only $96.8 million higher than in April, which is usually the low month of the year.

Defense expenditures in May were up a modest $5.6 million. Increases in non-defense expenditures included $3,149,000 assistance on storage costs on grain, a $2.5 million rise in interest on the public debt, $2.4 millions in general health grants to the provinces, $1.3 million in family allowances, $805,000 on the Trans-Canada Highway, $796,000 on Indian affairs, and $669,000 in additional emergency gold mining assistance.

Tax Receipts Up

Compared with last year, income tax receipts were up $35 million in May, and $51.3 million in the first two months of the fiscal year. Corporation income tax collections were $31.4 million higher in May, $43.6 million greater in the two months.

Taxes on interest and dividends going to investors outside Canada rose sharply to $4,867,000 in May, from $2,917,000 a year earlier, indicative of the ever-growing foreign capital investment in Canada.

Our record level of imports boosted customs revenues to $505 million in May, an increase of $12.5 million over the total of import duties collected a year earlier.

Other sources of revenue were equally productive in May — excise duties up $2.1 million to $24.6 million, sales tax collections up $11.7 million to $63.7 million, other excise taxes up $6.6 million to $27.3 million, return on investments up $3 million at $3.4 million.

Approximate Quotes
SUPERVISED FUNDS

	Bid	Asked
Supervised Income Fund	$4.38	$4.42
" Growth Fund	2.33	2.35
" American Fund	5.93	5.99
(1955) Executive Fund	35.58	
(1956) Executive Fund	29.17	30.46

Further information from:
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The Toronto Stock Exchange
GARDINER, WATSON LIMITED
44 King Street West, Toronto
EMpire 6-9211

Universal Products Holds 2 U. S. Firms 25% Of Third

Universal Products Co., a "Gardiner-Goldhar group" former corporate shell now holds two U. S. firms and a 25% interest in a third.

Officials reported that 98% of the stock of American Totalisator has been acquired (FP, May 5) and through American Tote it holds a 25% interest in C. P. Clare & Co., Chicago manufacturers of electrical and electronic equipment.

Negotiations are under way for the remaining Clare shares through a possible exchange of Universal stock for Clare stock.

Another U. S. company, General Register Corp., which manufactures ticket-issuing machines, has been acquired for 37,736 shares of Universal.

Universal is planning a three-for-one split of its outstanding 237,736 shares. Directors have declared a 30c dividend and 1% stock dividend on the split stock, payable July 31 to holders of record July 16.

A policy of a minimum quarterly dividend of 30c has been adopted, M. Mac Schwebel, president, said.

ANNOUNCEMENT

BURRARD DRY DOCK COMPANY LIMITED

C. S. THICKE

J. W. HUDSON

D. E. WALLACE

RICHARD WALLACE

RETIREMENT of C. S. Thicke as executive vice-president of Burrard Dry Dock Company Ltd., Vancouver, B.C., was announced today by President Hon. Clarence Wallace. Mr. Thicke will remain on the board of directors.

J. W. Hudson, formerly secretary-treasurer, has been named executive vice-president and will continue as a director of the company. He has also been appointed executive vice-president of Yarrows Ltd. Mr. Hudson attended Victoria College and the University of B. C. He is a member of the Institute of Chartered Accountants of B. C.

David E. Wallace, formerly assistant general manager has been appointed general manager of Burrard Dry Dock Company Ltd., while Richard Wallace will continue as manager of the Company's Industrial Division.

New Issue

$50,000,000

The Hydro-Electric Power Commission of Ontario

Guaranteed as to principal and interest by the

Province of Ontario

4% Bonds

To be dated July 15, 1956 — To mature July 15, 1976

Principal and half-yearly interest (January 15 and July 15) payable in lawful money of Canada at the holder's option at any branch of the Commission's banker in Ontario or in any of the Cities of St. John's, Halifax, Charlottetown, Saint John, Quebec, Montreal, Winnipeg, Regina, Calgary, Edmonton, Vancouver and Victoria. The bonds will be redeemable in whole or in part on thirty days' notice on July 15, 1972 or on any interest date thereafter at 100 and accrued interest.

Coupon bonds, registrable as to principal, may be issued in the denominations of $500, $1000 and $25,000 and fully registered bonds in the denominations of $1,000, $10,000 and $100,000. Coupon bonds and fully registered bonds, and the several denominations thereof, to be interchangeable.

Legal opinion of Messrs. Daly, Thistle, Judson & Harvey.

The above bonds are direct obligations of The Hydro-Electric Power Commission of Ontario and will be unconditionally guaranteed as to principal and interest by the Province of Ontario, the guarantee being endorsed on each bond. The proceeds of the bonds are to be applied to meet, in part, the cost of the acquisition of property, the construction of works and the reconstruction of equipment of the Commission and of others, which have been duly authorized to be acquired, constructed and reconstructed by the Commission and to repay in whole or in part any temporary borrowings of the Commission for such purposes.

Price: 98.75 and accrued interest to yield about 4.10%

As principals, we offer these bonds when, as and if issued and accepted by us, subject to prior sale and change in price and subject to approval of Counsel.

It is expected that interim bonds will be ready for delivery on or about July 16, 1956.

A circular describing this issue will be sent upon request.

McLeod, Young, Weir & Company Limited
Bell, Gouinlock & Company, Limited
Mills, Spence & Co. Limited
Wood, Gundy & Company Limited
A. E. Ames & Co. Limited
Dominion Securities Corpn. Limited

Royal Securities Corporation Limited — Midland Securities Corpn. Limited — Cochran, Murray & Co. Limited
Harris & Partners Limited — Burns Bros. & Denton Limited — Dawson, Hannaford Limited
Equitable Securities Canada Limited — Gairdner & Company Limited — R. A. Daly & Company Limited
W. C. Pitfield & Company, Limited — James Richardson & Sons — Bankers Bond Corporation Limited
Collier, Norris & Quinlan Limited — Fry & Company Limited — Matthews & Company, Limited
Harrison & Company Limited — Anderson & Company Limited — J. L. Graham & Company, Limited
Bartlett, Cayley & Company Limited — Brawley, Cathers & Company — Charles H. Burgess & Company
Flemming & Company — Walwyn, Fisher & Co.

The information contained in this advertisement is based upon statements on which we have relied. We do not guarantee but believe the statements herein to be true.

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Because Movado is truly a prestige watch, it's right for every occasion, business or pleasure.
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I WOULDN'T BE WITHOUT MY

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*ERMETO . . . the modern pocket watch. Winds automatically when you pull open the case.

**MOVADO . . . shock - proof, anti-magnetic, 17 jewels.

For fully descriptive literature write

JACK W. LEES

44 KING ST. WEST, TORONTO

So We Have Gas—What Next?

- **Two great gas pipelines will reach markets soon.**
- **This will mean a new era for appliance manufacturers.**
- **This will change our over-all energy pattern.**

A preview of the gas era shaped this week at Murray Bay, Que., in the 49th annual meeting of the Canadian Gas Association. Here are highlights from several of the key addresses.

DEAN H. MITCHELL
President,
American Gas Association

Natural gas will mark the beginning of a new era for your great country.

To have your own gas companies, with established markets and wide-flung city distribution systems, will be a tremendous asset to you and also to your producers and your pipeline suppliers.

It is said that your national government will aid in financing your transCanada line. To a free enterpriser, this seems a shame. It is sometimes difficult to mix free enterprise with government financing.

Then, too, there are the problems between producer, pipeliner and distributor that grow and agitate. I hope you can escape them. The kind of contracts you make now for your gas supply may have much to do with that relationship later on, and with the interest the pipeliner and the producer have in your problems of distribution and sales.

We in the U. S. have not been too successful in this field. Producers often tend to go their own way. Pipeliners sometimes attempt to raid distribution company territories by direct sales to industry. Distribution companies at times exhibit a lack of understanding of the problems of both the pipeliner and the producer.

The gas industry (in U. S.) now has total assets of more than $16 billions and it is well on its way to becoming a $20-billion industry. Ours is perhaps the only large basic industry that has quadrupled its growth in less than two decades.

We have been adding new customers to our lines at the rate of better than 800,000 a year, and our statisticians predict that this rate of increase will continue for the next several years.

I was greatly interested, at a recent conference of the A.G.A. General Management Section, to hear Dr. George W. Grovier, from the University of Alberta, state that the latest official estimate placed natural gas reserves in the Province of Alberta at about 16 trillion cu ft.

He estimated that by 1980 Alberta's reserves might well exceed 100 trillion cu ft.

Dr. Grovier pointed out that while the greatest known reserves of Canadian natural gas were in Alberta, further supplies could be expected from British Columbia. Here then lies another challenge to the future, and I know in both the U. S. and Canada we are looking forward to the day when expanding markets will hasten the development of this great abundance of natural wealth.

Today the U. S. market is crying for a complete home air-conditioning heating unit. It seems likely that the fuel that captures air-condition will also capture the heating load.

Recognizing this fact, one manufacturer has more than 300 gas air-conditioning units installed in 41 states in the U. S. and Canada.

They are being tested under every possible climatic condition. One revolutionary new unit has run 10,000 hours, equal to five full cooling seasons, without major overhauling. Its operating cost, including electricity, gas and water, is about one half the cost of a typical electric system.

Other types being field tested include a gas heat pump, an improved absorption type cooler and a gas air-conditioning system powered by a gas engine. Predictions are that in the near future the American public—seeking the finest year-round air-conditioning on the market from the standpoint of economy, comfort, and efficiency—will find the answer with gas.

GORDON C. GRISWOLD
Assistant Vice-President,
Brooklyn Union Gas Co., N.Y.

Not only is a natural gas distributor under a formidable 20-year commitment for its original contract, but it must buy ahead or constantly increase its contract demand to maintain a sound balance between supply and demand.

By taking on these long-term commitments, a natural gas distributor assumes two general but important responsibilities:

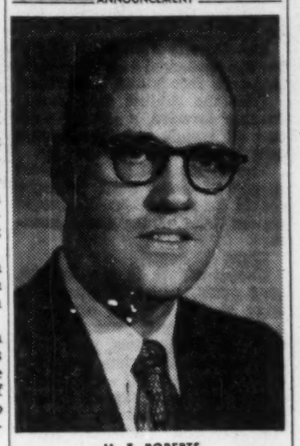
- To establish and sustain a trend in volume growth which permits an orderly increase in pipeline supply contracts.
- To develop a load growth so composed as to characteristics as to meet in the best possible fashion the complex problem of buying high load factor gas to serve a poor load factor requirement.

Thus, it becomes a matter of very real concern for the natural gas distributor to know precise facts about the markets which it serves and the potential markets which it hopes to develop.

F. R. PALIN
President,
Canadian Gas Association

We should be taking pride in the fact that during the past few years men of vision have had sufficient faith in ultimate success to spend enormous amounts of money, time and effort to find and develop these gas reserves, many of which were actually discovered in the search for oil.

ANNOUNCEMENT



M. E. ROBERTS

appointed General Manager of The Lummus Company Canada Limited after serving the Lummus organization for ten years in engineering and sales capacities, including two years with the London, England subsidiary.

£

an important message about

STERLING

If you are a recent settler from Britain, and hold Blocked Sterling assets, or if you have received a legacy from a resident of Britain or the sterling area, you are invited to consult any branch of Imperial Bank of Canada regarding the transfer of such assets to this country.

Our services and specialized knowledge of United Kingdom and Sterling Area regulations affecting securities and blocked sterling balances are freely available to assist you.

Your enquiries are invited at any branch of Imperial Bank of Canada from coast to coast.

IMPERIAL
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41-4

New Pulp-Paper Buildings Will Be Finished Mid-'57

MONTREAL (Staff)—Construction of the new buildings of the Pulp and Paper Research Institute of Canada will begin this summer, slated for completion in the late summer of 1957.

The site: 40 acres in Pointe Claire, Que., which some day, through further construction, will probably be the heart of the entire institute's program.

Purpose: to provide new laboratories for post-graduate education and research in various fields of science and technology.

Cost: $2,250,000 from the Federal Government. Dobush and Stewart, Montreal architects, designed the new building. The Department of Public Works will call for tenders for its construction soon.

The new building will be two stories of brick, providing 70,000 sq. ft. of space. It is similar to contemporary educational architecture, which makes extensive use of glass and landscaping. Scientific apparatus valued at $1 million will be transferred to the new headquarters from Montreal.

Function of the institute is purely research and education, and all facilities will be similar to those found in any university. One wing of the building will contain administrative offices; one will contain laboratories for engineering research; another wing will have laboratories similar to a typical college chemistry building.

Varied Studies

"The institute's scientists," said Dr. Lincoln R. Thiesmeyer, president of the institute, "carry out investigations on subjects ranging from means of improving the germination of seeds in the forest to ways of getting stronger and cheaper packages for myriads of household products, or improved pulp for the making of rayon or new plastics or chemicals . . .

"The graduate students study such fundamental subjects as the chemical nature and behaviour of the materials nature uses in making wood-cellulose, lignin, sugars and other carbohydrates, resins, and so forth . . ."

The institute has a staff of about 150 together with 21 graduate students in training.

It is supported, primarily through membership agreements with individual pulp and paper companies across Canada. Some 40 companies representing more than 100 mills and about 90% of the total production of the Canadian industry are members at present. Current operating budget is $1,250,000.

During the past five years, it has been necessary to make temporary arrangements to house the expanding activities of the institute. At present, work is proceeding at seven different locations including the hydraulic laboratory at Queen's University, Kingston, Ont.

Graduate Education

Upon completion of the new building graduate education will be centred in the existing main building in Montreal. Library and major administrative office will be left there, and all other activities, except those at Queen's, will be transferred to the new site.

It had been planned to locate the new buildings at Senneville, Que., but detailed engineering studies showed the cost of providing the necessary services there would be prohibitive.

Singer Outlines Financing Plans For Pulp Mill

The new pulp mill planned by Singer Manufacturing Co. and Perkins-Goodwin Co. at Thurso, Que., (FP, Apr. 14) is expected to cost $17 million, Milton G. Lightner, president of Singer, told the U. S. firm's annual meeting.

The new mill will be operated by a Canadian subsidiary, Thurso Pulp & Paper Co., in which Singer will have a 70% interest and Perkins-Goodwin 30%. The sewing machine firm will put up $3.5 million, Perkins (a pulp and paper marketing firm) $1.5 million, and Thurso will borrow $12 million on 3½% 20-year notes guaranteed by Singer. Of the $17-million total, $1 million is for working capital, the balance for construction costs.

Singer has 483,900 acres of woodlands in Canada acquired originally to supply wood for sewing machine cabinets. New developments in pulp-making which permit use of hardwood as well as softwood make the new project feasible, Mr. Lightner explained. It means that wood not now being used or being wasted will be converted into pulp.

HAVE A *Player's* "MILD"

THE MILDEST BEST-TASTING CIGARETTE

IMPORTANT ANNOUNCEMENT TO CLIENTS OF

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Canadian Sirocco Company, Limited ..... Windsor
Kewanee-Ross of Canada Limited ..... Toronto

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AMERICAN-Standard PRODUCTS
(CANADA) LIMITED

This desirable association will not, in any way, affect present products or production. Manufacturing will continue as before at the three plants in Toronto and also at the plant in Windsor.

C. W. JOHNSON
President

AMERICAN-Standard PRODUCTS
(CANADA) LIMITED

The man who tills the soil and the man who sails the sky have Monsanto in common!

For Monsanto — producer of industrial chemicals for almost every conceivable use — manufactures hydraulic fluid for aircraft as well as fertilizers, herbicides and insecticides for agriculture. Whether you happen to drive a car, read a newspaper, run a farm or manufacture chocolates, the chances are you, too, are a user of Monsanto products.

Monsanto chemical intermediates turn raw materials into such important and complex products as synthetic rubber, plastics, explosives and lubricating oils. Monsanto agricultural chemicals increase crops and destroy weeds and pests. Monsanto petroleum additives prevent rust and corrosion, step up efficiency of gear lubricants. Monsanto flavors play an important part in commercial candy making, and other Monsanto chemicals make natural rubber tough enough for truck tires or pliant enough for surgical gloves.

In diversity as well as in scope of operations . . . as one of the world's largest producers of industrial chemicals . . . Monsanto is truly a maker of modern miracles! If your business has a chemical problem, perhaps we can help you.

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Monsanto Makes Modern Miracles in Chemistry

ANNOUNCEMENT

MR. GEOFFREY KITCHEN

Large British Company enters Canadian Life assurance market

Mr. Geoffrey Kitchen, Chairman of Pearl Assurance Company, one of the largest and best known life assurance companies in the British Commonwealth, announced in Toronto recently that the Company has now started to transact life assurance business in Canada.

Pearl Assurance Company was established in England in 1864, has total assets equal to more than $650,000,000 and total life assurance business in force equal to more than $1,500,000,000.

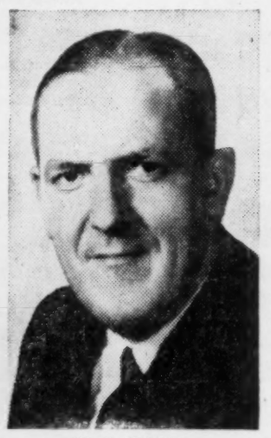
The Pearl is well known in Canada, having transacted fire and casualty insurance here since 1927 and having had as Manager the late Mr. W. C. Butler, one of the most distinguished men in the industry. The Company's Head Office for Canada is at 25 Adelaide St. West, Toronto.

The Company transacts life assurance business in Great Britain, South Africa and other countries and transacts fire and casualty insurance in most countries throughout the world.

A complete range of policies has been specially designed for Canada. Policies are available with and without participation in profits which will be declared annually in the attractive form of a paid-up bonus addition to the sum assured. The policies will be written and issued in Canada and all claims will be paid out of Canadian Funds, policyholders having the added security given by the world assets of the Company.

Mr. William Rich, who has had over 20 years' experience in the Canadian life assurance field, is the Company's Superintendent of Life Agencies. Mr. E. C. Benham, F.I.A., is the Company's Resident Actuary.

MR. WILLIAM RICH



MR. E. BENHAM

A Gas Public Utility in the making:

INLAND NATURAL GAS CO. LTD.

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Transmission

Distribution

Inland Natural Gas Co. Ltd. owns franchises to transmit and distribute natural gas throughout the interior of British Columbia with a contract to purchase up to 17½ billion cubic feet of gas per year from Westcoast Transmission Company Limited.

Our recent study on this interesting junior public utility is available upon request — Please write or call —

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INVESTMENT SECURITIES
Established 1922

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As principals we suggest as an investment for those desiring a relatively high return

SAO PAULO LIGHT & POWER CO. LTD.

5% Consolidated Sinking Fund Debenture Stock

At a price to yield: 8.75%

Guaranteed in full by
Brazilian Traction Light & Power Co. Ltd.
Interest has been paid continuously for past forty-five years in Canadian currency.
While outstanding in the amount of $4,000,000 these debentures are a first charge on assets in excess of $125,000,000.

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5413

What Income Tax Changes Mean To You

Here's Handy Guide For Businessmen Who Work With Taxes

In his budget address March 20, Finance Minister Harris outlined in general the Federal Government's plans for minor changes in the Income Tax Act.

Here in detail are the proposed changes, which will be of special interest to business executives, accountants and lawyers who deal in taxation problems.

OTTAWA (Staff)—Decisions of the Income Tax Appeal Board are reflected in several of the proposed amendments to the Income Tax Act. The Government's Bill 418 is now awaiting debate in Parliament.

The majority of the proposed changes are designed to clarify the act, and make no basic change in existing law. For instance, the words "registered pension fund or plan" are substituted for "approved superannuation fund or plan" throughout the Act.

Purpose of this change is to avoid any suggestion that governmental "approval" indicates that the plan is the best available, or that the Government approves the operation of the plan. The Finance Department believes that "registered" will make clear the Government's neutrality.

Another change is the addition of frequent references to a "supplementary unemployment benefit plan," better known as the guaranteed annual wage. This is a concept of employee benefit which was not recognized in the legislation previously.

In brief, employers will be able to deduct, as an expense, the amounts they pay into such plans. The trustees of the plans will not be taxable. Employees will be liable for income tax on benefits they receive from the plans.

Here are details of other major amendments which Parliament is asked to make to the Income Tax Act:

"Other Benefits"

New paragraph (a), Section 5, adds the words "of any kind whatsoever" following the words "other benefits." The clause provides that the value of board, lodging and other benefits received by an employee must be included in his income. A recent Appeal Board decision had suggested that "other benefits" meant the same as "board and lodging," whereas the Government's intention is that it covers all benefits, such as personal use of a car, that an employee might enjoy.

* * *

Pension Plans

New paragraph (g), subsection (1), Section 11, also stems from an Appeal Board ruling. It deals with the maximum amount that an employer may deduct from his taxable income, as a contribution to a pension plan for his employees.

The amendment will allow the employer to deduct a maximum of $1,500 multiplied by the number of employees covered by the plan, where his contribution is not a specific amount in respect of each employee. If the exact contribution on behalf of each employee can be determined, that will be the deductible amount, up to the $1,500 maximum.

* * *

Convention Costs

New paragraph (ia), subsection (1), Section 11, permits taxpayers to deduct from their income the cost of attending two business or professional conventions a year in Canada.

The practice of the Department of National Revenue for many years had been to allow the deduction of the expense of attending one or two conventions a year in Canada, and one outside Canada, although this was not spelled out in the act.

Then a doctor launched an appeal against the Department's disallowance of his expenses involved in attending a number of conventions in Europe. The Appeal Board not only dismissed the doctor's appeal, but said also that the department had no right to allow the deduction of any convention expenses whatever. This amendment re-establishes the Department's long-standing practice.

* * *

Clergy's Claims

New paragraph (q), subsection (1), Section 11, provides that clergymen must be "in charge of, or ministering to a diocese, parish or congregation" in order to deduct the value of their living accommodation from taxable income.

The Appeal Board last year upheld the appeal of an ordained minister on the faculty of a Toronto theological college, whose claim for deduction of rent had been refused by the Department of National Revenue. The Board ruled that since he had to be a minister to hold his teaching post, he was entitled to the deductions of rent even though he had no parochial duties.

This left the way open for similar claims by the large number of clergymen who hold administrative or teaching positions in their churches, but who do little or no preaching. The amendment will end their opportunity to make this deduction in 1956 and subsequent years.

* * *

Profit-Share Plans

New paragraph (r), subsection (1), Section 11, extends the field for contribution by employers to profit-sharing plans by a reference to "a corporation with whom the taxpayer does not deal at arm's length."

If a parent company and its subsidiary wish to have the employees of both companies belong to the same profit-sharing plan, they may do so. The parent company will now be able to make contributions to the plan on behalf of the subsidiary's employees, on the same basis as its own employees.

* * *

Oil, Gas Depletion

New subsection (2a) of Section 11 gives the Minister of National Revenue the right to determine as he sees fit the basis for depletion allowances for oil and gas wells or mines.

The following subsection, (3), is revised to refer only to coal mines, and to eliminate reference to oil or gas wells, other mines or timber limits. It authorizes the minister to apportion the depletion allowance for a coal mine operated by a lessee, when the lessor and lessee cannot agree on the portion of the allowance each may deduct.

* * *

Corporation Taxes

New subsections (4) and (5) of Section 12 are introduced to help implement the new federal-provincial fiscal arrangements, coming into force next Jan. 1. They provide that a corporation will be able to deduct its payments of any special provincial "corporation tax" to the extent that the "corporation tax" exceeds 9% of its taxable income in the province. "Corporation tax" is a provincial (or municipal) tax on anything other than income—for example, the tax that Quebec levies on banks' premises.

* * *

Provincial Taxes

Section 33 is extended, in its applicability, up to 1961. This section provides a 10% abatement of personal income tax for individuals residing or earning income in a province that imposes a personal income tax.

This section was enacted last year. For 1955 and 1956, it would affect only Quebec taxpayers. But under the federal-provincial fiscal pact, other provinces may introduce personal income taxes after the end of this year.

* * *

Investment Firms

Paragraph (ba), subsection (2), Section 69, is altered to ease one of the requirements with which a corporation must comply in order to be treated as an "investment company" for tax purposes. It reduces from 60% to 50% the minimum proportion of the company's gross revenue which must be in the form of dividends from taxable corporations.

Paragraphs (c) and (d) of the same subsection are slightly revised, for the sake of clarity.

* * *

Profit-Share Plans

Section 79, dealing with profit-sharing plans, is amended to include these changes, among others:

Subsection (1) broadens the definition of an employees profit-sharing plan to include plans established for the benefit of employees of a group of corporations not dealing at arm's length.

Subsection (3) exempts any capital gain on investment transactions by the fund's trustee, in determining the share of profit to be allotted to each employee participating in a profit-sharing plan.

Subsection (4) formerly allowed 60 days after the close of the taxation year, for the employer to make deductible payments into the plan on behalf of the taxation year just ended. This is extended to 120 days.

New subsection 6(c) is designed to cover the situation which arises when an employee withdraws from a profit-sharing plan. In such a case, the employee would have received no money from the plan, but would already have paid income tax on his allocation.

The amendment sets an arbitrary figure of 15% of the employee's allocation which will be returned to him as a tax refund.

Unsatisfactory as this may be to the employee who has paid income tax at a higher rate, the Department of Finance appears to consider that any method of determining the exact amount due would be administratively impossible.

* * *

Undistributed Income

New subsection (5a), Section 82, deals with the calculation of undistributed income of a company which is purchased by another. The company which is being sold may not, in determining its undistributed income, deduct expenses that are being passed on to the purchasing company.

New subsection (5b) of the same Section 82 clarifies the determination of undistributed income.

New subsection (7a) places a limit on the amount of loss that a personal corporation may claim as a result of having acquired shares of another corporation, and having been paid a dividend out of its designated surplus.

Insurance Firms

New subsection (15) establishes special rules for provincially chartered insurance companies which seek re-incorporation as federally chartered companies.

As the law stood until now, the shareholders of the provincial company (which must go through the formality of winding up) are deemed to have received a dividend equivalent to the undistributed income on hand. This situation has prevented a number of provincially chartered insurance companies from seeking federal charters.

The amendment will enable the old provincial company to pass its

(Continued on page 14)

ANNOUNCEMENT

S. R. KNOTT, BASc., P.Eng.

The election of S. R. Knott, BASc., P.Eng., General Manager, W. Fearnehough (Canada) Limited, Toronto, to the Board of Directors of the Canadian Company has been announced by W. Fearnehough Co. Limited, Sheffield, England. The Company manufactures Sheer Blades and Machine Knives.

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for her PACKAGED SWIMMING POOL

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This first volume-selling program is designed for big sales to average income families in booming SWIMMING Pool business.
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No investment required for equipment or crews.

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No Franchise Fee

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Pool selling season on right now, imperative dealer gets started now to get in on profits from this booming business this season.
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CANADIAN SWIMMING POOL COMPANY
126 GEORGE STREET, TORONTO, ONTARIO

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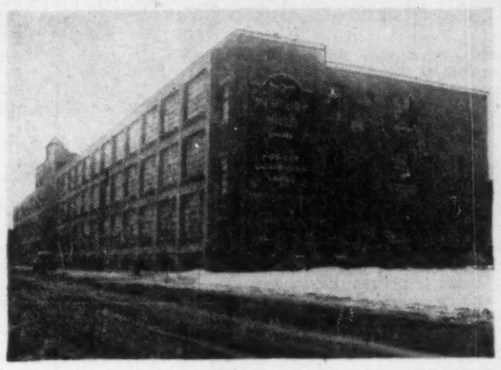
LANDS AND BUILDINGS OF MERCURY-CHIPMAN KNIT, LIMITED



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—Features of Main Building include: — reinforced concrete construction; over 154,000 sq. ft.; sprinklered; 150-200 lbs. floor load; 2-ton and 1-ton elevators; 50% air-conditioned.

In the Supreme Court of Ontario between National Trust Company, Limited, plaintiff, and Mercury-Chipman Knit Limited, et al, defendants. Pursuant to the judgment herein dated 25th May, 1956, and to the Order, dated 22nd June, 1956, and to the direction of the Master of the said Court, tenders will be received by the said Master at Osgoode Hall, Toronto, Ontario, up to 12 o'clock noon, E.D.S.T., on 15th August, 1956, for the purchase of the above property which is more fully described in a certain Deed of Trust and Mortgage registered in the Registry Office for the Registry Division of Wentworth as No. 134051NS. Each tender shall be in writing and contain the name and address of the tenderer, a statement to the effect that the tenderer submits to the Conditions of Sale hereinafter mentioned as if the same were part of his tender, and the amount of the tender, and shall be accompanied by a cheque for ten percent of the amount of the tender accepted by a chartered bank of Canada and payable to the Accountant of the said Court. The highest or any tender not necessarily accepted. For a detailed description of the property and Conditions of Sale as settled by the Master and for permission to view and inspect the property, apply to

NATIONAL TRUST COMPANY, LIMITED

the Receiver and Manager of the said property

20 KING STREET EAST, TORONTO, ONTARIO. — 11 MAIN STREET EAST, HAMILTON, ONTARIO.

These Debentures having been sold, this advertisement appears as a matter of record.

New Issue

$7,500,000

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5% Convertible Subordinated Debentures, due July 1, 1971

Of this issue $3,750,000 principal amount is being underwritten in the United States by Lehman Brothers and other United States Underwriters

Principal, half-yearly interest (January 1 and July 1) and redemption premium, if any, payable in lawful money of Canada, in Canada at the main branch in the Cities of Montreal, Toronto, Winnipeg, Calgary and Vancouver of the Chartered Bank specified in the indenture and in the United States of America at the office of Empire Trust Company in New York City. Coupon Debentures registrable as to principal in denominations of $1,000, $10,000 and authorized multiples of $10,000.

The Debentures will be convertible into Class A Shares of the Company at $15.00 per share, all as more fully set forth in the Prospectus.

Trustees:

Crown Trust Company, Montreal, Toronto, Winnipeg, Calgary, Vancouver

Empire Trust Company, New York City

We, as principals, offer these Debentures subject to prior sale and change in price and subject to the approval of all legal matters on behalf of the Company by Messrs. Macleod, Riley, McDermid, Dixon and Burns, Calgary, Alberta, and Messrs. Dunnington, Bartholow & Miller, New York, and on behalf of the Underwriters by Messrs. McCarthy & McCarthy, Toronto, Ontario, and Messrs. Simpson, Thacher & Bartlett, New York.

Price: $100 and accrued interest

It is expected that Debentures in interim form will be available for delivery on or about July 3, 1956.

A Prospectus will be furnished promptly on request.

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Norman R. Whittall Limited — The Western City Company Limited

Old-world Austria's Low-price Magic Pulls In Tourists

By B. W. RIDDELL

It isn't the same Austria that Strauss knew. After 17 years as a battered buffer in world politics, it couldn't be.

But it's still a wonderful place for holidayers. Visitors to the mountain-girt central European nation will discover a pleasant—and relatively low-priced — revival of the gaiety of Imperial Austria.

What's more, Austrians seem enthusiastic in their desire to bring back the older and more gentle days.

Vienna, the capital, was once the heart of Europe. Today it celebrates its reunification after years of being split by the Iron Curtain. The spirit of the old court lives again in modern versions of the masked ball, the chambermaids' ball and the bakers' ball.

The internationally publicized opening of the new State Opera House was one of the most brilliant events in postwar Europe. It caused feverish excitement and rejoicing. Not only had Vienna revived its beloved Opera; Austria had regained her sovereignty.

Symbolic of the new Austria, the building's architecture is in the style of traditional imperial splendor, with modern adaptations. It's an improvement on the old Opera House — fewer boxes, better acoustics, no sight-hampering pillars, a much larger stage and huge underground storeroom for props and costumes—a remarkable fusion of tradition and progress.

Vienna social life always has been set to music. A visitor should attend as many musical performances as possible.

While seats for the opening of the Opera cost as much as $200, they sell now for less than $3. The Vienna Philharmonic and Vienna Symphony both stage outdoor concerts (even in mid-winter) in the old baroque squares. Church music is exceptional. The famous Vienna Boys' Choir may be heard at Hofburg Chapel and the choirs of St. Stephen's and St. Peter's are two of the world's best. In the old cafes, the Strauss waltz is still favorite dinner music.

The tourist in Vienna should tour the Ringstrasse—the famous boulevard circling the city. It boasts some remarkable architecture. Here is the Opera House and the Burgtheatre (also reopened recently). And to catch the spirit of the waltz, he should drive through the Vienna Woods.

The Hofburg Palace, built in 1275, was once the winter palace of the Habsburg emperors. Visitors may see the wonderful Hapsburg collection, the imperial and state apartments as well as the private rooms of Franz Josef, the Michaeler rotunda, the imperial chapel and the Schweizerhof collection.

St. Stephen's Cathedral, built in 1147 (remodeled up to 1433), was damaged by bombs. But the beautiful Gothic spire which rises to a height of 448 ft. still stands. The National Library contains a wonderful collection of papyri, ancient books, original Biblical manuscripts and one of the world's greatest collections of music in printed and manuscript form.

Danube Highlight

With the departure of Red soldiers from Eastern Austria came the reopening of the Danube River to tourists. One of the highlights of a European tour is the 12-hour river trip from Passau on the German border to Vienna (traveling upstream the trip takes 24 hrs.).

The steamer passes superb scenery—towering cliffs, stretches of deep forest, meadows, orchards, lush vineyards — and some of Europe's most picturesque old castles and monasteries. These include Melk, a monastery famous for its imperial riches; Duernstein, where Richard the Lion-Hearted was imprisoned during the Crusades; Kreuzenstein, a completely medieval castle; the beautiful abbey at Klosterneuburg, designed by Charles V to resemble the Prado in Madrid.

North of Linz there is excellent hunting and fishing. At every turn of the road are delightful stopover points. The river trip costs $2.80, and for those who travel overnight, staterooms are available for $1.40.

Another pleasant side-trip from Vienna is to Semmering, a mountain health resort, 3,000 ft. up and only two hours by car from the city.

Vienna is the capital, contains more than a quarter of the country's population and is one of the most fascinating cities in the world. But the rest of the country has its attractions, too. Each region has unique charms that should not be overlooked by the traveler. There are eight federated states — Vorarlberg, the Tyrol and Salzburg in the west; Upper and Lower Austria (containing Vienna) in the north and east; Burgenland, Styria and Carinthia in the south. Each has delightful towns and villages.

Salzburg (in the state of the same name) is the great festival city, where the world's leading summer musical festival is held from the last week in July through August. Here, the works of the great masters are performed night and day by fine orchestras and chamber groups. Salzburg is Mozart's birthplace and his music is always played with special reverence. This year, the 200th since the composer's birth, is Mozart Year in the musical world, and his works will get even greater emphasis.

Salzburg has more than music to offer—it's one of the country's most beautiful and interesting centres. Surrounded by mountains, the scenery is unexcelled. Places of interest include the Salzburg Cathedral—finest Italianate edifice in Austria — where stirring performances of Everyman are staged. The Salzburg Marionettes Theatre is probably the best-known company of its kind in the world. It has made a number of successful tours through Europe and the U. S. Two of its most outstanding performances are Faust and Casperl.

One of the best-known tourist towns in Austria is **Kitzbuehel.** An outstanding winter sports resort, it has ski-tows and a cable railway up the famous Hahnenkamm run. There are slopes for experts and novices as well as ski schools with highly qualified instructors and guides. A side-trip can be taken to the Kitzbuehler Horn and to Fieberbrunn where peasant festivals take place.

Badgastein, 47 miles south of Salzburg, is another excellent ski resort and delightful summer alpine retreat. Radioactive springs, a casino, elegant shops, theatres and breathtaking views in every direction are a few of the many attractions. High above Badgastein is the Bellevue Alm, a delightful little Tyrolean lodge which seems to sit on top of the world.

Zell am See, on a 2½-mile Alpine lake, is a winter and summer resort. For warm weather there is an excellent bathing beach and tennis courts. A celebrated view is from the peak of the Schmittenhoehe. Reached by cable in just 15 minutes from Zell am See, it has a lovely little chapel, an excellent hotel.

Other well-known winter sports centres; Zürs and St. Anton am Arlberg, Obergurgl, Hochsolden, Igls, Seefeld, Saalbach, Hofgastein, the Radstadt region and Mallnitz.

In the southern states of **Burgenland, Styria and Carinthia,** you find the less well-known corners of Austria. And here you see a difference in scenery, people and customs. Bordering on Hungary, Yugoslavia and Italy these provinces in many ways resemble their neighbors more closely than they do the rest of Austria.

Burgenland is particularly remote. It has a haunting, semi-oriental atmosphere about it. The capital of the state, Eisenstadt, is half Tuscan, half Ruritanian, surrounded by almond trees, peach orchards and blue vines. It is peopled by slavic-looking men and women whose costume is not typically Austrian. Burgenland was fairly recently added to the federation. Previous to 1921, it belonged in the Hungarian area of Austria-Hungary.

Styria, with Graz as its capital, is the lake district of Austria. Here are the famous Salzkammergut lakes, easily accessible from Salzburg. It is one of the first pleasure spots in Austria and it always seems to be festival time. Unspoiled and off the beaten track this is a particularly attractive state, where gaily costumed, happy people are efficient but unhurried workers.

Carinthia, to the west of Styria, borders on Italy. The Woerthersee is Austria's best-know summer holiday region. Because of its southern location it has a longer summer season and lake bathing is possible from mid-May to mid-October. Velden, on Woerthersee, is one of Europe's most famous and picturesque lake resorts, with excellent hotels. There is every kind of summer sport here, as well as flower festivals and international dancing competitions. One of Austria's few golf courses is situated close by. There are a great many old castles in this state, and a "castle tour" from Klagenfurt via Hochosterwitz and the town of Gurk, is well worthwhile.

Low Prices

The visitor to Austria will be impressed not only with its scenery, its warm-hearted and hospitable people and its romantic spirit, but also with its extremely low prices.

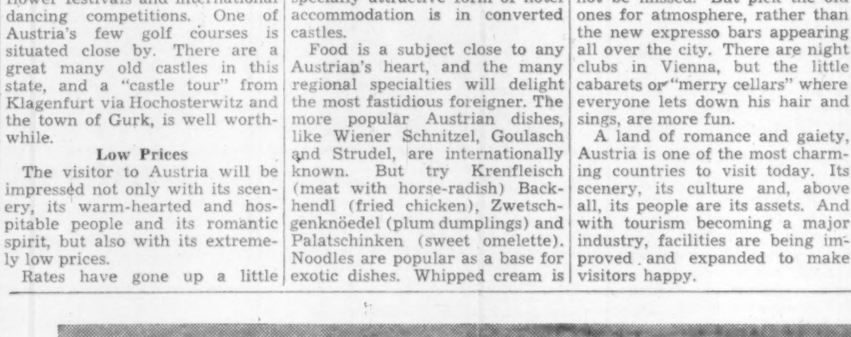
Rates have gone up a little since the end of the War, but they are still low by Canadian standards. Breakfast costs from 40c to 80c; lunch and dinner $1 to $3.

Hotels range in price from $4 to $8, per day for a single room, American Plan. They are seldom luxurious, private baths are scarce and furnishings are not usually brand-new. But they are comfortable, clean and most have special charms of their own. A specially attractive form of hotel accommodation is in converted castles.

Food is a subject close to any Austrian's heart, and the many regional specialties will delight the most fastidious foreigner. The more popular Austrian dishes, like Wiener Schnitzel, Goulasch and Strudel, are internationally known. But try Krenfleisch (meat with horse-radish) Backhendl (fried chicken), Zwetschgenknöedel (plum dumplings) and Palatschinken (sweet omelette). Noodles are popular as a base for exotic dishes. Whipped cream is used widely. (Austrians often eat a dish of whipped cream flavored with chocolate for dessert.) And, of course, Viennese pastry is delicious beyond description.

Vienna is an epicure's delight. There are hundreds of restaurants with atmosphere and charm offering excellent food and service. The coffee houses, for many years the intellectual centres of Vienna, are still there, and should not be missed. But pick the old ones for atmosphere, rather than the new expresso bars appearing all over the city. There are night clubs in Vienna, but the little cabarets or "merry cellars" where everyone lets down his hair and sings, are more fun.

A land of romance and gaiety, Austria is one of the most charming countries to visit today. Its scenery, its culture and, above all, its people are its assets. And with tourism becoming a major industry, facilities are being improved and expanded to make visitors happy.



VIENNA SKYLINE'S pride is the intricate spire of St. Stephen's Cathedral (right). It was built in 1147, remodeled in 1433. Vienna is the gateway to Austria's fascinating countryside, a kaleidoscope of broad rivers, mountains and picturesque villages.

POST TRAVEL BUREAU

Where to go - how to go - where to stay

BOAC Offers Music Tours

British Overseas Airways Corp. in conjunction with Ardel Travel Bureau of New York, offers package tours of European music festivals this summer.

The tours will take music lovers to festivals such as the International Music Festival at Menton, France, the Festival of Music and Dance at Aix-en-Provence, France, the Edinburgh Festival, the National Gaelic Mod (Musical Festival) at Largs, Scotland, and the Salzburg Festival.

The tours will leave New York, each with a specific itinerary and with optional extensions. The 24-day "Scherzo Tour" which leaves July 26, will cost $1,035. Two 22-day tours, "Rondo Tour," leaving Aug. 24 and "Minuet Tour," Sept. 14, will cost $995.

The all-inclusive tours include transportation by BOAC tourist-class Stratocruiser, hotel accommodations, daily Continental breakfast, table d'hôte dinner, sightseeing programs and tickets for festival performances. Liberal free time will give tourists opportunity for shopping or sightseeing on their own.

More Canadians Mexico-Bound

Canadians are traveling to Mexico in ever-increasing numbers. There were 7,713 Canadian visitors to Tequilaland during 1955—an increase of 38% over 1954.

This upsurge of travel interest was underlined last week when Dr. Francisco Villagran, director-general of the Mexican Government Tourist Department, visited Toronto.

Tourism, now an extremely important factor in Mexico's economy, is being stimulated by increased and improved facilities. Three new hotels in Mexico City (Alffer, Plaza Vista Hermosa and Continental Hilton) have increased accommodation by 1,000 beds.

Chief Mexican tourist attractions include year-round warm weather, variety of scenery from tropical to mountainous, with snow) and three dynamic native cultures — Indian, colonial and modern.

Dr. Villagran is a former Consul-General in Montreal, therefore familiar with Canadians and their travel tastes.

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Bruce Hutchison writes about:

Crisis at the Grass Roots

By BRUCE HUTCHISON

The newspapers have been telling us lately of a political crisis, as viewed from Parliament Hill. Nobody, I think, has reported the crisis as viewed from Canada. If that story could be accurately written it would surprise the politicians.

Having viewed many crises at first hand in Ottawa, I am sitting this one out in the woods, and I am amazed to find what a difference distance makes. The crisis erupting from Parliament Hill is hardly recognizable, some 3,000 miles away. For a politician or an old political reporter this is very disillusioning, but it tells us more of the democratic process than all the debates in the House of Commons.

Naive and starry-eyed like all politicians and political reporters, isolated from reality by the secret rites and passwords of an ancient craft, fascinated by the subtle manoeuvres of the great game, I had supposed, when in Ottawa, that the horrendous events convulsing us there must also be convulsing the folks at home; or if not convulsing them exactly, at least ruffling them a bit and making the heart of the Canadian household beat a little faster.

Now, after diligent research in the grass roots of democracy, I know better. I venture to place this remote corner among the grass roots because it is, I imagine, as typical of the nation as any other corner — a humble but fair sample of the body politic. We are Canadians here, we are voters and fairly literate. But we are not behaving as voters are commonly supposed to behave, in the legendry of Ottawa, at a moment of political crisis.

In honesty, even at the risk of discouraging the politicians, I must report that we simply refuse to recognize the crisis. It exists in Ottawa and in the newspapers and will stand in the history books. It does not exist out here in Canada.

This is not said lightly or ill-advisedly, as you may suspect. I have applied to the crisis nearly 40 years of a reporter's experience, sedulously questioned every voter in sight, kept our ten-party telephone line constantly engaged, to the annoyance of the whole neighborhood, tallied up the results and discovered practically nothing about the crisis.

There is plenty of news hereabouts, the hard, essential news of Canada, the rich and teeming human stuff seldom reported in the newspapers but certain to endure, generation on generation, when most of the politicians are forgotten. There is news, in fact, about everything of importance, about every aspect of real life, but scarcely a whisper of that crisis shouted from the topless towers of Parliament.

Most of the communications from my neighbors being off the record (we are a reticent folk, like all Canadians outside Ottawa) I must summarize my findings in discreet generalities.

How The Neighbors Felt About Pipeline Row

The prosperous merchant who lugs my groceries over a mile of woodland trail answered, when questioned at the back door, that the boys in Parliament seemed to be having themselves a time but would soon get over it and maybe fix the road along the lake.

Our leading citizen, who has retired from business in town to devote his time and fortune to eight aged beef cows, said he was too busy with vital affairs to dabble in politics. The only crisis of interest to him was a delayed pregnancy in his herd.

An elderly voter, cutting cordwood with a double-bitted axe, paused in his labors just long enough to inform me that he was a Liberal by lifelong conviction, assumed that the Tories, as usual, were trying to ruin the country — some nonsense about a pipeline, he believed — but were sure to fail. Then he spat on his hands and swung his axe again.

A housewife cultivating a row of wilting carrots in a barren soil rested a moment on her hoe, thought deeply, allowed that she always voted for the Conservative party because it was "loyal" and announced that the Liberal government was about through, after closing down Parliament and giving the country away to the Americans. Then she interviewed me at length about the cutworm menace among her carrots. That, I gathered, was a real crisis.

Finally the intellectual communist (the only actual capitalist in these parts) assured me that the crisis in Ottawa, of which he had heard vaguely on the radio, wasn't worth talking about, being only a minor phase of the world crisis and the death pangs of capitalism. At present however, he was fully occupied in repairing his boat and sought my advice on the calking of its leaky planks.

This factual report from the grass roots is not presented with any feeling of contempt for politics but as a social document perhaps worth considering. I have been mixed up with them too long, in too many adventures, to have anything but respect for the men who conduct our public business with little public gratitude. I do not share the fairly popular view that politics are an empty charade and that the current crisis has no meaning.

On the contrary, I believe that events in Ottawa, whatever their ultimate meaning may be, must intimately affect all of us, even in our forgotten suburb of civilization.

If, at this distance, it appears that the immediate effect of the crisis is to damage the reputation of all the political parties and make a furious, shouting Parliament look rather foolish and hung-over on the morning after its big binge, I am not in the least disenchanted with politics but only regret that I was not there to see the fun.

Parliament Showed Unmistakable Signs Of Life

It seems to me, indeed, that while Parliament has showed disagreeable signs of nervous strain, it has also showed, for the first time in many years, unmistakable signs of life. They are reassuring to the democrat; for democracy is usually sick when silent and full of health when noisy and, in the true sense of the word, vulgar.

No, I simply report a discovery surprising to an old political reporter but doubtless familiar to everybody else — the discovery, I mean, that a nation can endure a good deal of crisis without turning a hair, while the politicians at the centre of it are all turning hand springs.

It is part of the legitimate business of politicians to point up, exaggerate and dramatize a crisis, since the management and leadership of a nation sometimes require a sense of drama, the use of spot lights, grease paint, buskin and histrionic postures to symbolize great causes and convey them to drowsy groundlings like us. Parliament must occasionally out-Herod Herod to carry its message over the footlights. It must shout if its voice is to reach the grass roots.

The politicians and reporters at Ottawa, too close to the scene of these excitements, too involved in their stratagems and by-plays, will be quite wrong, however, if they assume that the country, or this part of the country anyway, is writhing, like them, in the crisis.

The people, my neighbors among them, will make up their own minds in good time, will make or unmake governments at will without understanding the full details of any policy, and usually will reach the wise decision by instinct. But as of today the shouting and the tumult of Ottawa reach here as an exceedingly weak echo. The grass roots barely flutter under the distant breeze from Parliament Hill. That probably is why democracy, a system of infinite flexibility, survives when other brittle, well-managed and foolproof systems perish. Democracy may bend under crisis. It does not break.

$1,800,000 Housing Plan For St. John's

From Our Own Correspondent

ST. JOHN'S (Staff) — A federal-provincial partnership will see 150 new housing units built in St. John's newest housing area — the Churchill Park section. Officials of the Newfoundland municipal affairs department indicate bids will be on September 1 and construction should begin October 1.

The project will cost around $1,800,000 with the Federal Government bearing 75%, the province the balance.

The units will be available on a subsidized rental basis to tenants earning less than $3,600 a year. Rental will be 20% of the tenant's income.

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Canadian Kellogg invites interested firms to review the considerable cost data on ethylene manufacture, based on pilot plant and actual commercial production, that has been accumulated.

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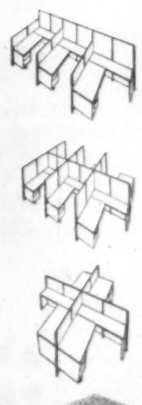

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JULY 7 ISSUE NOW ON SALE

No Joy In Federal Parties

Provincial Election Results Offset To Ottawa's Power

By MICHAEL BARKWAY

OTTAWA (Staff)—No federal party got much joy out of the three provincial elections in Quebec, Saskatchewan and New Brunswick. The Liberals are probably the most disappointed. They made no significant headway anywhere: the few seats gained in Saskatchewan were no consolation for the trimming they took both in Quebec and in New Brunswick.

Quebec, of course, is the most serious blow. Only the most wildly optimistic had thought that Mr. Duplessis might be beaten. But most Liberals had thought they could at least reduce his majority. Actually he increased it.

If any Liberal had thought that the new formula for federal-provincial sharing of taxes would take the sting out of Mr. Duplessis's attacks on the Ottawa "centralizers," he was disillusioned. Mr. Duplessis made it abundantly clear that he proposes to take the $40 million or whatever else Ottawa will give him without strings, and to go on claiming that his rights are being infringed.

Mr. Duplessis, in fact, claims the credit for having got a bit more out of Ottawa, and promises to go on fighting for the whole jackpot. His intransigent attitude on federal - provincial matters works, he can now claim.

Axioms Confirmed

In the other provinces neither tax relations nor provincial rights appeared as an issue in the campaigns. But two well-known axioms of Canadian politics appear to have been confirmed:—

—That except in times of emergency, Canadians have an instinct for using the provincial governments as an offset to the central government's power. If they don't worry too much about maintaining an effective opposition in the House of Commons, yet they like to keep a focus of opposition in the provincial capitals.

—That when times are good it takes an awful lot to overthrow existing governments. Prosperity breeds political inertia almost everywhere. To get returned in prosperous times, it isn't necessary to be a very good government. It seems to be enough to be the government. Canadians, perhaps even more than some other peoples, are ready to say: "Everything seems to be going along all right, why change?"; or even: "We'd better stick to the present crowd rather than risk getting something even worse."

The Liberal party at Ottawa ought to be immensely reassured by this. The provincial elections have confirmed the essential political fact on which its own return at the next federal election chiefly depends.

Miss Strong Hand

Nearly all the Liberals in Ottawa know that their Government isn't as good as it was. They are embarrassingly conscious of the uneasy differences in the cabinet. They feel deeply the lack of direction from the Prime Minister. They are nervous about what further political scrapes Mr. Howe may get them into without a strong guiding hand to keep him clear of the shoals.

Those closest to the Cabinet, as well as the ministers themselves, are now feeling acutely the disadvantages of those very qualities in Mr. St. Laurent which most endeared him to them originally. His eagerness for delegation, his courtly and gentlemanly way of leaving ministers to themselves, came as a tremendous relief in 1948. They were a complete contrast to Mackenzie King's way of treating his ministers.

But now it is the other side of the picture which is foremost. The strong hand is being badly missed. And the great hope of the Liberals is that the troubles which show so clearly in Ottawa are not being noticed outside the capital. They should be reassured by the latest proof that Canadians are enjoying such prosperity that they'll return almost any government.

No other federal party can enjoy this consolation.

The Conservatives have the reassurance of Hugh John Flemming's triumphant return in New Brunswick. It wasn't a surprise. Mr. Flemming is a practical, sensible premier, who seems to be firmly in the saddle.

Tory Weakness In West

But the reassurance in the east is offset by the weakness in the west. The Saskatchewan result only confirms the Conservatives' dismally low standing in the western provinces. Loss of the sole Conservative seat in the Saskatchewan legislature can't have been much of a surprise. But it underlines the sad fact that the only possible alternative national party confronts a near-vacuum in a large and important part of Canada.

The C.C.F., federally, cannot rejoice unrestrainedly about Premier Douglas's success in Saskatchewan; and it can only weep about Quebec. (It didn't try in New Brunswick.)

The Quebec party's attempt to improve its position under the name of "Social Democratic Party" was a dismal failure. It did worse than even its enemies had expected.

The trouble about Saskatchewan, from the federal point of view, is twofold:—

—The provincial election was fought on provincial issues. There's no reason to claim Mr. Douglas's success as an endorsation of federal CCF policies.

—Mr. Douglas did not fight his election as a four-square advocate of socialism, which is what the federal party tries to do. The socialism of the CCF appeared in very fine print at the bottom of the election banners. The big print proclaimed that Mr. Douglas could give the capitalists as good a deal as anybody else.

Social Credit Failure

The Social Credit Party had a total failure in New Brunswick and it must be bitterly disappointed at the tiny results it achieved in Saskatchewan from so large an effort. It is exactly one year since the ambitions of Premier Bennett of B. C. for a drive on Ottawa were first expounded publicly (FP, June 25, 1955).

An essential start was to sweep the Saskatchewan Provincial Government into the S. C. bag. And Social Credit certainly tried. Mr. Bennett threw his own provincial organizer into the campaign. S. C. candidates were nominated for every riding. Mr. Bennett himself did an electioneering tour. Mr. Manning declined to be left out of the picture altogether and put in a personal appearance too.

All they got out of it was three seats in the provincial house. Total take of the popular vote was 21%. It was enough to show that Social Credit can still sweep up some of the discontented; and to that extent it was a salutary warning to the other parties. But it must have left the S. C. high command with an unhappy realization that Canadians aren't nearly discontented enough to go for them yet.

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Income Tax Changes

(Continued from page 11)

undistributed income on intact to the new federal company.

* * *

Drilling Costs

New subsection (8), Section 83A, provides that where an oil or mining company acquires a company in the oil business, the exploration and drilling costs of the acquired company may be deducted by the purchasing company—but only to the extent that income is derived from the property of the acquired company.

Many small oil companies have acquired such expenses, which may be carried forward against future year's income. Previously, the purchasing company was not able to take over these expenses directly, but could do so indirectly in some cases by keeping the acquired company alive as a subsidiary, and arranging for it to receive some income.

* * *

Railway Assets

New Section 84A provides rules for determining the capital cost of certain railway assets not formerly considered depreciable. The Board of Transport Commissioners has required the railway companies to depreciate their rights-of-way, but until now the railways have not been able to claim any capital cost allowance for these rights-of-way in their income tax returns. (They have, however, been allowed to write maintenance costs off as a deductible expense.)

Now that the railways can claim depreciation of the right-of-way as a deductible expense, they will presumably capitalize their maintenance expenses.

* * *

Subsidiaries

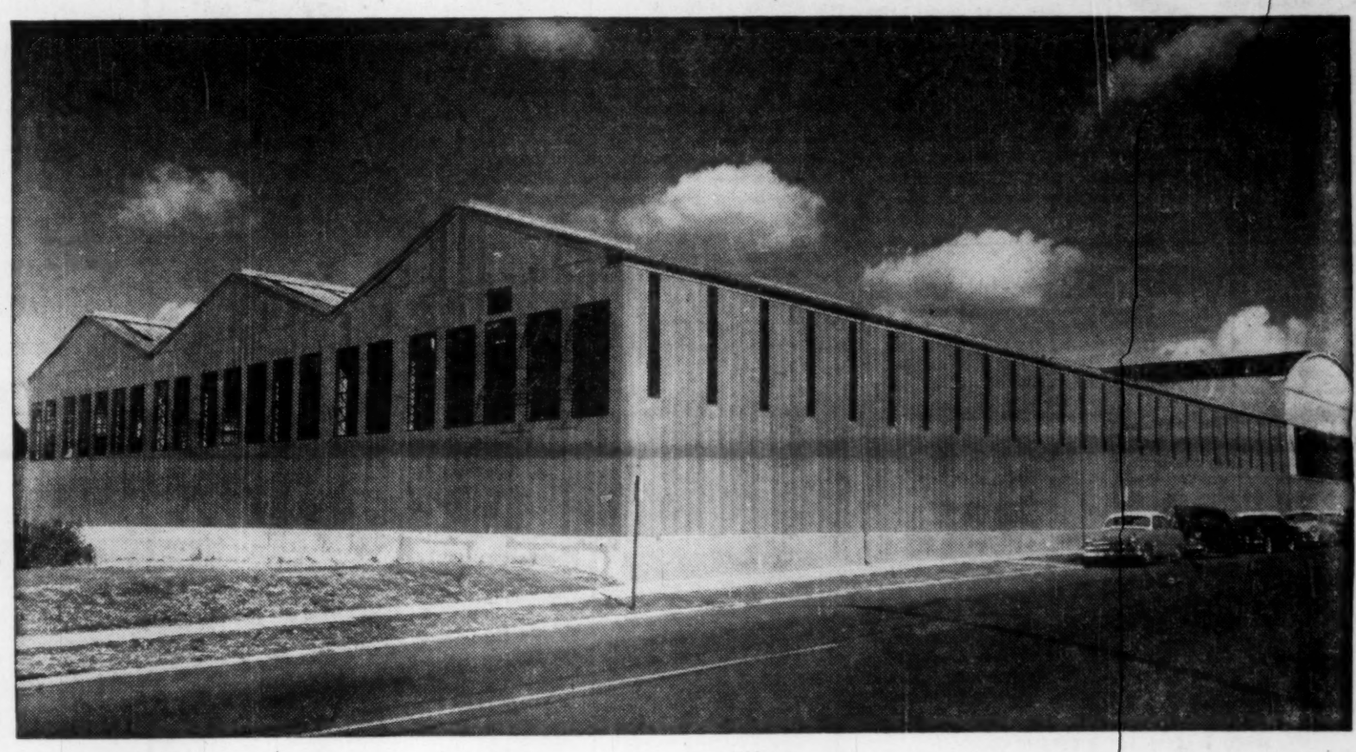
Subsection (3), Section 105B, is amended to provide that, when one non-resident corporation with a Canadian subsidiary acquires another non-resident corporation with a Canadian subsidiary, the undistributed income of the second Canadian subsidiary will not be taxable in the hands of the first.

* * *

Secret Records

New Section 126A extends to communications between lawyers and clients the same protection or "privilege" that would be available to such communications in an ordinary court of law. Under some sections of the Income Tax Act, lawyers have been required to turn over to the Government certain records or information which they have regarded as secret.

This amendment is in much the same terms as the one proposed by the Canadian Bar Association.



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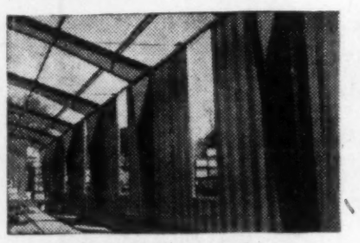

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INVESTMENT—IN PRINCIPLE AND PRACTICE

Leverage—Aid or Bar?

It's Helpful On Upside But Dangerous On Downside

By Pathfinder

Author of this special Post series on investing is one of Canada's prominent investment counselors. Daily he is dealing with a wide variety of investment problems and with big and little sums of money.

In the field of marketable securities, the greatest gains can be made in the shortest time by purchasing highly leverage stocks which go up.

What is leverage? Like the physical law, which is the more common usage of this term, leverage means that a great amount of money can be made on a small amount of capital.

This apparent phenomenon is accomplished by using borrowed capital. A good example is a company whose profit is, say, $100. If $500 represented the amount of money invested in the business, then the return would be 20% on invested capital, provided the whole capital was represented by equity (the owner's money). On the other hand, if the owner invested only $100 of his own money, and borrowed $400, then the $100 profit would cover the cost of borrowing the money (say $20) and still leave a net profit of $80, or an 80% return on equity.

Of course, it works the other way too. If you managed to earn only $20 when business fell off, you would still be getting a 4% return on the money invested—if you had put up the whole $500. But if you had borrowed the $400, this would leave nothing for you because all the $20 would be needed to pay interest on the debt.

Occurrence of Leverage

Leverage occurs in practically all aspects of the personal and corporate financing picture. Individuals use leverage through buying stocks on margins. Corporations are in a leveraged position when small changes in economic activity result in drastic changes in their output. Furthermore, corporations use leverage in their capital structure by borrowing money to carry on their business.

Certain industries may be termed "highly leveraged." For example, an industry which produces a type of product used only at certain times in the business cycle is highly leveraged.

In Canada, there is an annual need on the average for 8,500 railway cars, both for replacement and to meet increased demand. However, the purchasers — the railway companies — do not spread their buying evenly over the years. When times are not too good they pare their expenditures to the bone and buy no rolling stock.

When business improves, the railways, like any cautious management, try to get by with what they have. So their only orders might be for current replacement. But then the pace of business increases until there are real shortages of cars, forcing the railways to place heavy orders to make up for past replacement, current replacement and the increase caused by an expanding economy.

The Canadian railway car producers have been in just this situation. In 1954 practically no orders were received. In 1955 some rolling stock was produced but the flood of orders in late '55 and early '56 indicates that they will be producing at maximum capacity this year.

Like the tail end of the line of skaters in "crack-the-whip," the demand for the products of highly leveraged industries rises with dramatic suddenness, the production increases at a much faster rate than the economy in general, and the reversal usually sets in with considerable abruptness.

In the late 1920s, prominent people held the opinion that the problem of making money was solved. The main ingredient of this solution was leverage. For the sophisticated investor there was the 10% margin requirement. He could buy stocks up to $1,000 on his $100 cash, and when the market level rose to $1,100 his equity was then $200, permitting margin purchases up to $2,000.

This type of leverage was too good to restrict only to the sophisticated investors, and one very prominent man publicly proposed a highly leveraged scheme for the common man. His plan envisaged practically everyone putting up $200 in cash, and a special lending organization would make an additional $300 available at a rate of interest, and stocks worth $500 would be bought. When the $500 worth of stock appreciated to $600, then the common man would have made $100 on his $200 invested, which is 50%.

How Leverage Works

Operating on borrowed capital, the holding companies make the fastest gains in profits, percentagewise, when sales of the operating company rise. Conversely, on a sales drop, they would show a faster decline.

In the example below, the operating company is owned by holding company No. 1, which in turn is owned by holding company No. 2.

THIS SITUATION:	Operating Company	Holding Co. #1	Holding Co. #2
Sales	100	→ 17	→ 4
Operating Expenses, etc.	55	6	1
	45	11	3
Less: interest on debt	10	3	2
Earned for Common	35	8	1
Dividend	17	4	
PLUS AN INCREASE OF 10% IN THE OPERATING COMPANY'S SALES			
Sales	110	→ 22	→ 6
Operating Expenses, etc.	55	6	1
	55	16	5
Less: interest on debt	10	3	2
Earned for Common	45	13	3
Dividend	22	6	
CAN PRODUCE THESE INCREASES IN EARNINGS:	28%	50%	200%

Growth of Trusts

Another way to provide extensive leverage is to finance investment trusts. Growth of these trusts in the late 20s was phenomenal. In 1927 there were 160 of these trusts, but by 1929 there were over 750, whose paper assets were worth over $8 billion.

The way these trusts, and holding companies which were very similar, employed leverage is interesting.

At one end were the common stocks representing operating companies. These companies would employ leverage in their own operations, but only to a normal extent. One trust would be formed which would sell stock, the returns from which would be invested in these operating companies.

A second trust would be formed, usually employing borrowed money to the extent of 50% which would invest in the shares of the first trust. Sometimes even a third trust would be formed to invest in the second trust. What could happen is illustrated in the attached table.

The unfortunate fact which the investors of the late 20s did not fully recognize was that leverage worked just as effectively on the down side. It is no doubt true that the adverse business conditions appearing in 1929 would have caused a recession, but the shattering of public confidence caused by leverage working on the down side contributed in no small way to the drastic fall in both business and stock prices in 1929 and later.

Leverage does play an essential part in all businesses, however. In the light of past history, it is important for investors in the common stock of companies to examine the degree of leverage.

Some companies adopt the approach that any debt is dangerous and they strive for 100% common stock capitalization. This type of capitalization should be the rule in industries which are highly leveraged.

On the other hand, industries which are essential to our modern way of life and whose products are sold primarily to large numbers of ultimate consumers at a comparatively even rate throughout the year are low leveraged industries and these companies use preferred stocks and bonds in addition to equity to finance their operation.

An example is the public utility industry which follows a practice of 40-50% of debt, sometimes 15% preferred stock, and the remainder of the capitalization being common stock.

It is possible to make an index of the degree of leverage in all companies. This index is merely the total dollars of capital — bonds, preferred stock, common stock, and surplus dividend by the equity (common stock plus surplus).

In the following examples, this index varies from 1.0 (entirely common stock) to 6.0 (which means $5 of bonds and preferred stock and $1 of equity):

Abitibi	1.4
B. C. Power	3.6
Building Products	1.0
Consolidated Paper	1.0
Canadian Oil Cos.	2.7
Massey-Harris-Ferguson	1.8
McColl-Frontenac	1.6
Pembina Pipe Line	6.0
Superior Propane	4.9

Importance of Leverage

The importance of leverage to the average Canadian investor can be seen in the example of two comparable paper companies in the post-war period—Abitibi and Consolidated. Both are approximately the same size and their record of growth has been very similar although Abitibi has edged slightly ahead of Consolidated from the point of view of sales.

Over this period both have reduced their debt and preferred stock outstanding but the chief difference has been the emphasis placed by Consolidated in achieving a debt-free capital structure (leverage index of 1).

The following is a comparison of their leverage indices. The price index is based on the average price, and 1948=100.

	CONSOLIDATED		ABITIBI	
	Leverage	Price Index	Leverage	Price Index
1948	2.10	100	2.53	100
1949	1.74	94	2.23	104
1950	1.52	144	1.96	209
1951	1.35	200	1.94	361
1952	1.23	188	1.85	304
1953	1.13	211	1.76	285
1954	1.00	288	1.72	419
1955	1.00	400	1.35	590
Present price		444		723

As might be expected, the more highly leveraged company (Abitibi) performed better with regard to both earnings per share and price. However, when business was not expanding as rapidly, its price fell more drastically (1951-53). This kind of comparison can help the logical investor to select the type of security best suited to conditions in the industry and to the outlook for the economy.

In summary, leverage is dangerous. Used without restraint, it encourages greedy men to become greedier and excesses inevitably lead to disaster. However, kept within reason, leverage plays an essential part in everyday business.

From the average investor's point of view, experience has shown that there is no quick, short easy way to make great profits. Rather the combination of careful selection of securities and patience have produced the best results for most people.

The wise investor will choose leveraged stocks in growing industries when business is promising. But leveraged stocks will be treated with considerable caution when the possibility of adverse conditions in the economy, the industry, or the company appear. The matter of timing purchases or sales of leveraged stocks is therefore of considerable importance.

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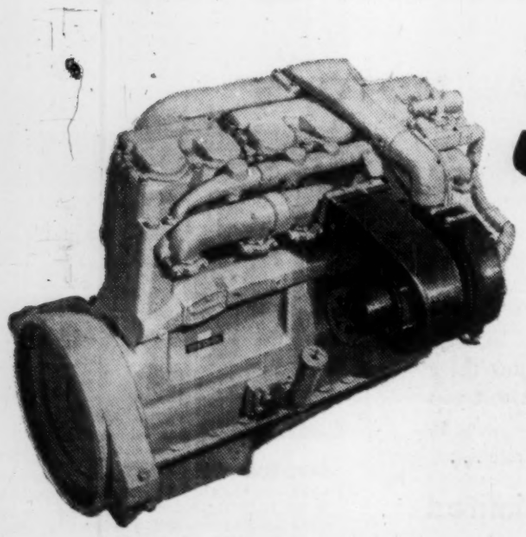

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Bailey Meter Co. (Montreal) — A. L. Stewart, formerly vice-president and manager, to be president; E. W. R. Butler, formerly assistant manager, to be vice-president; G. H. Sonne, formerly head accounting dep't., to be secretary.

Brinton - Peterboro Carpet Co. (Peterborough, Ont.)—Eugene H. Packman to be general sales manager; Frank Graham continues as field sales manager; H. M. Smith continues as sales promotion manager.

British American Oil Co. (Toronto) — J. H. Manning, zone exploration manager for Saskatchewan and Manitoba, headquarters, Regina; E. J. Gallagher, assistant general manager production department, Calgary, assisting O. I. Torkelsen, vice-pres. and general manager; L. G. May, production manager, production department, Calgary; O. W. Wall, assistant production manager of production department, Calgary.

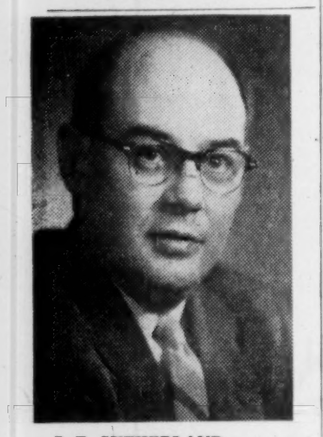
Calvert Distillers Ltd. (Montreal) — W. H. Morgan, national sales manager.

Canada Paper Co. (Montreal) — R. B. Hall, sales manager to be director; S. R. Francis, sec.-treas., succeeding W. H. Moffit, retired.

Canadian Aero Service Ltd. (Ottawa) — Michael S. Reford, formerly of Mobil Oil of Canada Ltd., geophysicist, responsible for Canadian Aero Service Ltd. standards of quality and performance and will interpret magnetometer and gravity survey data in collaboration with Dr. William Agocs.

Canadian Arsenals Ltd. (Ottawa) — Gordon W. Hunter, assistant deputy minister, Department of Defense Production, a director.

Canadian Line Materials Ltd. (Scarborough, Ont.)—George W. Axson, treasurer at head office, was controller.



J. E. SUTHERLAND

factory accountant, Canadian Westinghouse Co., has been elected president, Hamilton Chapter, National Office Management Association.

Canadian Liquid Air Co. (Montreal) — Gordon V. Tristram rejoins medical gas division as medical and technical representative, after two years as technical representative for McKesson Co., Chicago, covering Eastern Canada. He will now work from the Toronto office.

Canadian Vickers Ltd. (Montreal)— Viscount Knollys, chairman Vickers Ltd. of London, Eng., Major General A. L. Dunphie, chairman Vickers-Armstrong Ltd. of London, Eng. and Lewis J.-B. Forbes, president, Pilkington Bros. (Canada) of Toronto, directors.

Chrysler Corp. of Canada (Windsor) — E. C. Row, president of Chrysler Corp. of Canada named president U. S. company's Export Corporation in charge of worldwide operations outside the United States; also elected a director Chrysler Export Corp.; continues head of Canadian operations. Chrysler of Canada and Chrysler Export Corp. separate companies will continue to operate independently of each other. Ron W. Todgham, formerly of Toronto and Chatham, to be executive vice-president of Chrysler Corp. of Canada.

W. Clark Ltd. (Montreal) — W. Eric Arnold, Ontario Sales Manager.

Cockfield, Brown & Co. (Montreal) — V. H. Atrill, formerly with Dept. of Economics at Royal Military College, Kingston, Ont., joins research division.

Dominick & Dominick, members New York Stock Exchange (New York) — D. Stewart Patterson, president, Dominick Corp. of Canada, Montreal, to be a limited partner.

Dominion Bridge Co. (Lachine, Que.) — E. A. Ford, M. McMurray, R. J. A. Fricker, P. E. Savage, to be assistants to the vice-president and managing director.

Electric Reduction Co. of Canada Ltd. (Montreal) — Eugene De Luca, manager West Coast operations.

Great-West Life Assurance Co. (Winnipeg) — W. L. Benson, formerly group supervisor for Manitoba and Northwestern Ontario, to be group superintendent at head office, Winnipeg.

F. H. Hayhurst Co. (Toronto) — Hugh Murray, formerly staff reporter, The Toronto Telegram to head newly formed public relations division.

Robin Hood Flour Mills Ltd. (Montreal) — L. W. Farris, Maritime sales manager, headquarters Moncton, N.B., succeeding A. Don Cameron, deceased.

Kelvinator of Canada Ltd. (Rexdale, Ont.) — Paul E. Flanders, vice-president, merchandising; A. Kelvin Alcock, vice-president engineering.

McConnell, Eastman & Co. (London, Ont.) — Richard J. Roberts, joins staff, in public relations and creative works field; was formerly mining editor The Telegram.

Molson's Brewery Ltd. (Montreal) — P. T. Molson, assistant general manager, continues as assistant secretary but relinquishes position of assistant to the president.

Northwest Nitro-Chemicals Ltd. (Medicine Hat, Alta.)—Thomas B. Potter, assistant to the vice-pres., Petrochemicals Division, Commercial Solvents Corp., New York, to be secretary and assistant treasurer. Northwest Nitro-Chemicals is Canadian affiliate of CSC.

Royal Trust Co. (Montreal) — A. L. Penhale of Thetford Mines and Montreal, to be Eastern Townships member of Advisory Board of Quebec branch. Mr. Penhale is president and managing director of Asbestos Corp.

St. Lawrence Cement Co. (Ville neuve, Que.)—James D. Tweedy, Ontario sales manager, effective Aug. 1.

Saskatchewan Department of Mineral Resources (Regina) — E. G. Miller, in charge of administrative services Department of Mineral Resources, to be director newly formed metallic and industrial minerals branch, with jurisdiction over administration of all minerals except petroleum and natural gas.

Scarfe & Co. (Brantford, Ont) — Hedley Ross, president; James J. Hill, general manager.

Sheldon's Engineering Ltd. (Galt, Ont.) — T. K. Birss, manager Montreal operations; V. E. Ellis, Toronto district manager.

Society of Industrial and Cost Accountants of Canada (Hamilton) —M. Hugh Bacon, comptroller Consolidated Lithograph Division of Somerville Ltd., Montreal, president; M. C. Coutts, Sangamo Co., Leaside, Ont.; 1st vice-pres.; T. B. Milne, Great-West Life Assurance Co., Winnipeg, 2nd vice-pres.; T. A. Kennedy, Pacific Coast Pipe Co., Vancouver, 3rd vice-pres.; G. H. Greenhough, Reid Press Ltd., Hamilton, honorary sec'y.; E. L. Otto, Moir's Ltd., Halifax, honorary treas.; J. N. Allan, Hamilton, sec.-mgr.

Harold F. Stanfield Ltd. (Montreal, — H. J. M. Furlong, account executive, and Donald Ferguson, radio-television time buyer for Toronto offices.

Stanley Works of Canada Ltd. (Hamilton) — F. M. Hatch, president, B. H. Yardley, assistant general manager and secretary, succeeds Mr. Hatch as vice-president and general manager; B. C. Beasley, secretary and continues as sales manager.

University of Toronto (Toronto) — Dr. Murray G. Ross, executive assistant to the president.

Vanadium-Alloys Steel Canada Ltd. (London, Ont.) — A. Murray McLean, works manager.

Winnipeg Stock Exchange (Winnipeg) — R. W. Spear, vice-president; Ralph D. Baker, Rod A. Copland, Peter D. Curry, A. B. Flett, H. Herrndorf, E. A. Nanton, R. G. McCulloch, R. W. Spear, governors.

John Wood Co. (Toronto) — Cdn. subsidiary of International Metal Industries Ltd.; C. M. Konvalinka, vice-president and director of marketing; J. S. Corrigan, vice-president and general sales manager.

Young & Rubicam Ltd. (Montreal) — Ward Hagan of London, Eng. office to be vice-president and manager, Montreal office, succeeding A. R. McGill, relinquishing position of vice-pres. and managing-director, who will join company's New York office in fall; Wilfrid Taylor to be a vice-pres. in charge creative departments in Montreal; R. B. Collett continues as vice-president and manager, Toronto office.

Yukon Consolidated Gold Corp. (Toronto) — W. A. Arbuckle, director to be president, succeeding Robert Annan; Alfred M. Bare of London, Eng., and Michael F. Nicholson of Montreal, directors, succeeding Robert Annan and Carl O. Lindberg, who resigned.

F. H. SHERMAN

has been elected a director of National Steel Car Corp., Hamton; is also a director and executive vice-president of Dominion Foundries and Steel Ltd.

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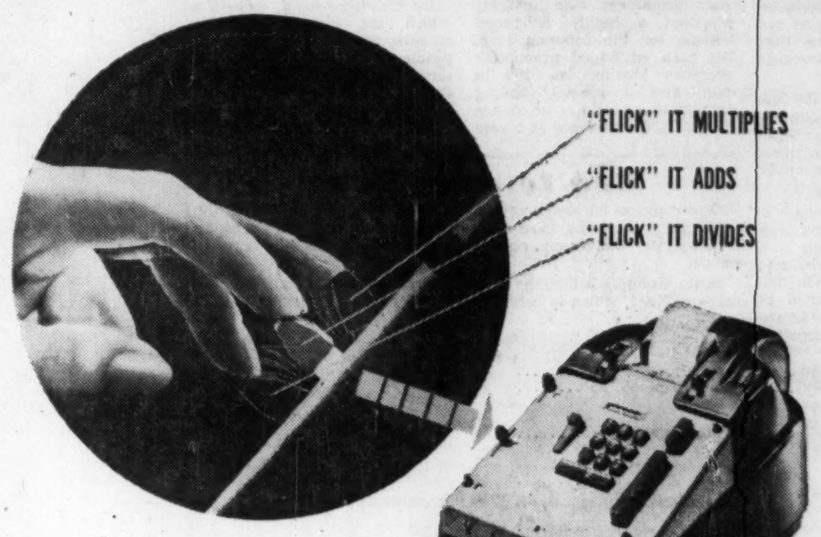

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Here's heavy news for sniffers, chewers and smokers of tobacco.

If you smoke cigarettes, you helped to dispose of the 2.5 billion last month which were entered for consumption on the records of the Department of National Revenue, Customs and Excise. Cigar smokers came a poor second with 23 million.

But there were other heavy items on the list. Cut tobacco accounted for over two million lb., plug tobacco totaled 113,897 lb., and Canadian raw leaf tobacco came to 98,905 lb.

The snuff-takers brought up the rear. For snuff tobacco the entry was a mere 75,536 lb.

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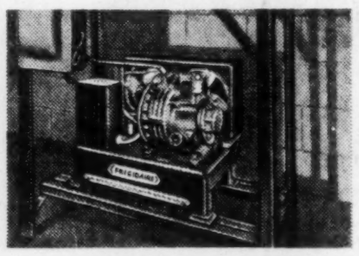

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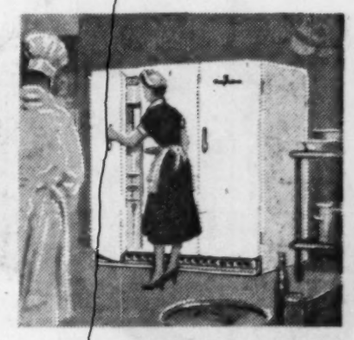

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Here's The Big U. S. Insurance Row

Opposite Views Of World's Biggest Life Companies

Advocates of the "variable" annuity call it a hedge against inflation. Payments are not set but vary with the return from common stock investments.

Opponents say it destroys insurance principles: Traditional annuities have a guaranteed return, come depression or good times.

Canada's life companies are pursuing a watch-and-wait policy. They're watching new legislation before the New Jersey Senate which would make "variable" annuities a legal part of insurance business in that state.

Frederic W. Ecker, president of Metropolitan Life, testified against them and Carrol M. Shanks, president of Prudential of America, outlined his views in favor, last week before a New Jersey Senate committee.

Here's a summary of their comments:

The Case For . . .

By CARROL M. SHANKS
President, The Prudential Insurance Co. of America

Our advocacy of variable annuities stems from the dilemma of many persons now retired on individual or group pension plans. Annuity incomes that seemed adequate when purchased years ago today often fail to meet the buyer's needs, primarily because of the impact of inflation on the purchasing power of the dollar.

There is a continued need for fixed dollar annuities and insurance policies that will continue to be stressed, because nothing else can give such solid protection against loss of income. But we also believe in the need for variable annuities — annuities which provide a life income not of a fixed number of dollars but of variable amounts keyed to an underlying common stock investment portfolio.

We propose to offer variable annuities to supplement fixed dollar annuities or other sources of fixed amount retirement income. Historical studies indicate that this type of combined plan would have provided a fairly constant amount of purchasing power. We are convinced that the proposal offers the best chance of meeting the problem presented by the impact of cost of living changes on long-term retirement plans.

An individual's annuity plan may very well be in force for 40 or 50 years or longer. The accumulation period up to age 65 may last for 40 or 45 years and the actual period of retirement may be 20 or 30 years.

Here's the Real Test

Long-term trends are the ones that count in thinking about retirement plans. The fact that some might guess that there won't be much more inflation in the next year or few years doesn't really have much bearing. Also, in thinking of a long-term variable annuity plan the day-to-day or month-to-month performance of the stock market isn't the test. The real test is whether we believe in the long-term future of our great productive enterprises.

We feel there is no justification for treating variable annuities as "securities" subject to Securities and Exchange Commission jurisdiction.

Even if it should be held by the courts that variable annuities, as we plan to issue them, are subject to S.E.C. jurisdiction, it would not alter our plans to go ahead. We would then comply with S.E.C. requirements.

There is no unfair regulatory advantage and no unfair tax advantage here. As a matter of fact, we are satisfied that after variable annuities are being issued generally the mutual fund salesmen will be claiming that their product offers a tax advantage just as they are already doing with the shares of the so-called "Canadian domiciled" mutual funds that are being sold in this country.

The participation of federal agencies has not been necessary to see that insurance companies backed up their present policies and annuities contracts by investing on a sound basis. Far-reaching state regulation has done its job admirably. The right to make common stock investments is not the special prerogative of any limited group of enterprises.

Use of Common Stocks

Prudent long-term investors, including those with trustee responsibilities, have increasingly recognized that common stocks have a place in their over-all investment programs. In last year's report of the Fulbright Committee to investigate the stock market it was brought out that bank administered personal trusts, on Dec. 31, 1954, held $32.7 billion of common stocks. At current market levels this figure would be even higher. In addition the Fulbright Report showed that $6.3 billion of common stocks were held by religious, educational and charitable funds — all of which must be administered pursuant to the highest trust responsibilities.

The variable annuity will make it practicable for life insurance companies to join this trend toward increased use of common stocks. In a sense we are only asking for permission to catch up with the parade.

The Case Against . . .

By FREDERIC W. ECKER
President, Metropolitan Life Insurance Co.

I shall confine my remarks to a discussion of the basic question involved—whether or not it is in the public interest for life insurance companies to be permitted to sell variable contracts.

First, a true annuity is a fixed dollar annuity. This means that the amount of money which will be paid to the holder thereof after he retires is fixed and guaranteed at the time he purchases the annuity. The money derived from the sale of this true annuity is then invested by the issuing insurance company conservatively within the framework of the statutory safeguards provided by law and the annuitant will receive periodically a specified amount of money, no matter whether the economy is booming or in the depths of a depression.

Inherent in such a contract is the guarantee of future payments, and this guarantee is the cornerstone upon which the life insurance business rests today.

Bearing only a superficial resemblance to the true annuity, is the so-called variable annuity. Like the true annuity, the individual presumably will pay the premiums during his working years, and on retirement the issuing company undertakes to make periodic payments.

The amount which the annuitant will receive each month depends entirely on the level of the stock market at the time. In the last analysis, the purchase of a variable annuity is nothing more or less than an investment in a common stock pool. It completely ignores the guarantees traditionally inherent in a true annuity.

Traditionally, under every contract which has been issued by a life insurance company, the company has assumed the risk involved. Under these proposed variable annuity contracts the risk is essentially transferred to the purchaser, since the insurance company agrees only to pay the annuitant what his share of the underlying common stock fund will produce at any particular time.

There have been a number of instances in the last 50 years when substantial drops have occurred in the stock market. As measured by the Dow-Jones Industrial Averages, these drops have ranged up to 90%, and at least six times the drop has been 40% or more. There are bound to be wide fluctuations in the future, and when the stock market drops, those who are dependent upon variable income contracts for their support are certain to be hurt.

If a depression should occur in the period when the individual is in the process of making his premium payments, there would no doubt be many individuals who would not continue their payments. Yet this would be just the time when it would be most important to continue premium payments, for presumably during this depression period common stock prices would be low, and a larger number of units would be purchased by the same premium dollars.

The variable annuity places an insurance company in a curious dilemma. If sold as a hedge against inevitable future inflation, the company demonstrates that it no longer has faith in the value of its insurance product offering guaranteed dollars. If the insurance company has recognized inflation as inevitable, why should a policyholder buy more life insurance or, indeed, retain what he has?

It is the moral obligation of the life insurance companies to be in the van of the fight against inflation, rather than to capitulate and begin to offer contracts of variable income as a hedge against inflation.

Let the life insurance companies and their agents continue to sell guaranteed security and let others sell shares in these common stock funds. I am not opposed to investment in equities provided one first has an adequate amount of life insurance to protect one's dependents. Life insurance companies are not the proper vehicle for such investment.

The entry of the life insurance companies into the variable annuity business will carry with it other serious problems at the federal level.

The holding of a sufficient quantity of the common stock of any company, which need not be a large percentage of the total, carries with it an element of control. I do not believe it to be in the public interest for life insurance companies to control industry, or even to put themselves in the position of being accused of such control.

The Securities and Exchange Commission recently announced its findings that variable annuity contracts are, in effect, securities and, therefore that their sale is subject to its requirements. It seems to me that for a life insurance company to issue a variable annuity contract is practically asking for federal supervision.

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This clearly illustrates how a credit union encourages men and women to save together for greater financial security and peace of mind. Through their credit union, they are able to enjoy the advantages of low-cost loans from their pooled savings—often with added life insurance protection at no extra cost. This is the true spirit of the credit union movement . . . the self help, non-profit organization that daily fills, in a friendly way, the financial needs of its many members.

Today, credit unions are all over the Western Hemisphere. There are nearly 21,000 of them in all, serving some 10,000,000 people. Management endorses credit unions, because they free workers of financial worries, enable them to keep a clear mind for doing a better job. And wherever there are credit unions, pay advances and wage garnishments are practically unheard of.

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Radio Signals Lick Nature In Trans-Horizon 'Scatter'

By VINCENT EGAN

OTTAWA (Staff) — A long-distance communication system, said to be capable of withstanding all the interference that nature can throw at it, was demonstrated to Government officials here last week.

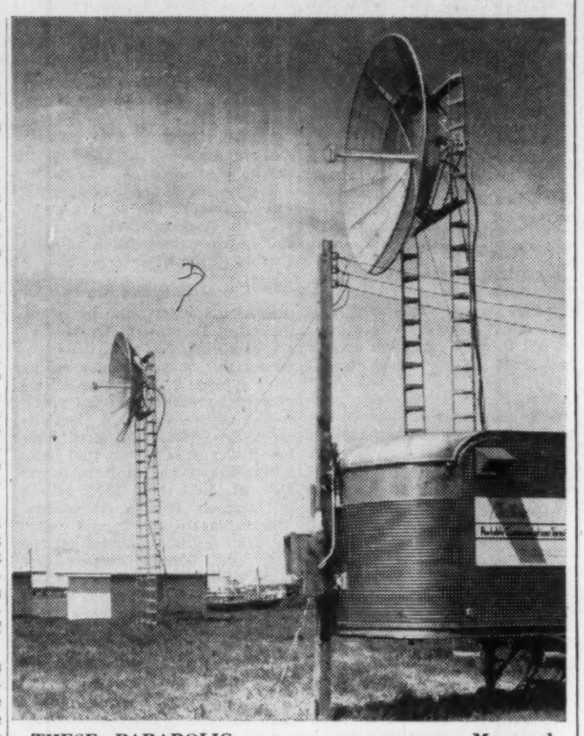
Trans-horizon communication, called "Scatter" for short, is impervious to the Aurora Borealis and other hazards in far-north communication, according to Collins Radio of Canada, sponsors of the demonstration.

Like Longfellow, who shot an arrow into the air, Collins' engineers shot a whole quiver of signals into the sky above Ottawa. There they scattered, but enough signal strength bounced back to earth to form a reliable communications link with Montreal.

Collins Radio, at its Toronto plant opened last July, has established the world's first full-scale production line for scatter propagation equipment.

Production currently is bound almost entirely for the Distant Early Warning line, being built by the U. S. along the 70th parallel in Canada's far north. Collins of Canada is a wholly owned subsidiary of Collins Radio Co. of Cedar Rapids, Iowa.

Although defense demands have been the spur to rapid development and production of the new system, engineers at the Toronto plant are planning for a heavy demand from industry. Scatter communications, they say, will solve the problem of transmitting information over difficult terrain and in adverse weather.



THESE PARABOLIC antenna set up near Montreal "scatter" communication waves between Ottawa and Montreal in recent tests. Collins Radio of Canada set up the tests to show government officials the reliability of these beyond-the-horizon signals in the face of all interference.

Unlike microwave signals, which have to be boosted along at intervals of approximately 25 miles, scatter transmission takes giant strides of 125 to 175 miles each.

That's because scatter is not bound by the horizon, as is microwave. Scatter sends its signals up into the sky, where they are reflected back to earth 125-175 miles away.

How high is up? It depends upon which of the two scatter systems are being used.

The first system employs the troposphere — that part of the atmosphere extending upwards for six or seven miles from the earth's surface. This is the part of the atmosphere in which weather disturbances occur.

The troposphere can be used as the "reflector" of the signals over distances ranging from 50 to 300 miles. The communications system being built for the DEW line, and the one set up for demonstration purposes to link Ottawa and Montreal last week, is tropospheric.

The other scatter system uses the ionosphere—a region made up of electrified particles, with the bottom layer about 70 miles above the earth's surface. The ionosphere will reflect scatter signals over a distance of from 600 to 1,200 miles—but only if huge antennas and vast power are used.

Collins Radio's engineers predict a major role for tropospheric scatter in the future of Canadian communication, largely because it reduces many of the problems encountered in other forms of communication in remote areas.

One possible commercial application, expected to become a reality soon, is in the operation of oil pipelines. Scatter transmitters, at intervals of approximately 150 miles, will send all data on volumes, pressure and like, to a central control station.

Use of scatter for DEW line communication points the way to its future use in long distance telephone hook-ups, both as a public utility and as private systems for mining companies operating in remote northern regions.

Scatter may also bring the era of intercontinental television much closer. Today, the earth's curvature limits the distance which TV signals may hop by microwave to about 25 or 30 miles. Relay posts are needed to send the microwaves from horizon to horizon.

It's now possible—in theory at least — to send a TV signal as much as 300 miles at a single stretch between two scatter posts, using the tropospheric system. (The ionospheric system is not sensitive enough to carry TV pictures.) A scatter system is now being established to carry TV programs between Florida and Cuba.

Expanding rapidly to meet the DEW line's demands, Collins Radio of Canada has had to add to its Toronto production facilities twice within less than a year.

Soon after the plant opened last July with 35,000 sq. ft. of floor space, a 20,000 sq. ft. addition was built. This was later augmented by 25,000 sq. ft. of work space leased in a neighboring plant.

More new construction may be undertaken soon, to house the company's rapidly growing staff. From 15 employees last July, the staff has risen to 275 today.

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Capital Plans Held Over By Cons. W. Pete.

The special general meeting of shareholders of Consolidated West Petroleums Ltd. called this week to consider an increase in authorized capital has been adjourned until July 16.

Adjournment was moved when it became apparent that the management would not receive the required two-thirds of the votes at the meeting in favor of its proposed financing program.

President E. F. Coste outlined the need for further financing to rapidly develop the company's promising natural gas production under Lake Erie and to form a subsidiary company for exploration and development work at other locations in the Lake.

"Your company now has some 73 square miles of territory off Port Alma and some 7 square miles held jointly with Imperial Oil off Morpeth about 25 miles east of Port Alma. This acreage has to be explored, and where productive it must be developed, gathering lines laid and the wells connected to shore," Mr. Coste said.

During the period 1950 to present time, gross earnings have increased from $57,360 to a rate of some $500,000 for this calendar year.

"The present proven gas reserves of your company and the further reserves indicated through last year's drilling together with the geological knowledge and engineering know-how of your management warrant my saying that with adequate financing the future prospects of your company do seem bright indeed," Mr. Coste stated.

Plans are to complete 12 to 15 wells this year in company's offshore territory. Four wells are now being drilled.

A dissenting group at the meeting have objected to the formation of the proposed subsidiary company and exploration of new areas saying the company should concentrate its efforts on its present property.

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sales manager

This Idea Was Worth $1 Million

New Wire And Cable Plant Will Seek World Markets

By CLIFFORD FOWKE

The first new wire and cable plant to start operations in Canada in the last ten years reaches a major stage in its development within six weeks.

Standard Wire & Cable, formerly called Trudex Manufacturing Ltd., is the newcomer, and it joins Canada's eight producers of wire and cable at a time when the latter are in the throes of substantial expansion plans in an effort to keep pace with the tremendous growth of the home market.

It will begin full-scale production in a 40,000 sq. ft. plant, equipped with new types of machinery, in North York on the outskirts of Toronto. It will have capacity for output worth $10 million, and investment may reach several million dollars as the result of plans now in hand.

Immediate aim is to win customers in the home market, many of whom are presently served by imported goods. Once a solid footing has been secured, it will go after export markets, especially in South America.

Standard Wire production will help in a race in which demand from power schemes, building and communications has recently come near to outstripping supply. Last year sales value in the home market topped the $145 million level. Deliveries, that not so long ago averaged out at about three weeks from receipt of orders, have recently been stretching out in some cases to as much as 20 weeks.

But the new company represents no spurt by an outsider to get aboard a prosperity bandwaggon. It is backed by Canadian capital and its formation is the result of:

- The initiative and enterprise of one of Canada's youngest executives.
- A pilot operation that started two years ago.
- Careful assessment of current and future market possibilities.

Edmund S. Rose, the 28-year-old president of Standard Wire, has had his mind on a major project of this kind from his days as a student at the University of British Columbia and now he has the backing for it of some of the most astute financial and business brains in Canada.

After leaving university in 1947, he spent some time in the family business in Victoria but that offered a limited horizon to a young man who visualized large-scale production in Canada from native resources of an essential commodity for world-wide consumption.

He went to Europe for just under three years, studying the wire and wire products business in major manufacturing centres in the U.K. and West Germany. He came to Toronto in 1953 and set up a wire and cable import business under the name of Industrial Trading Co.

And his experience as an importer strengthened his conviction that there were wide opportunities in this field in Canada for manufacturing for the home market and for overseas.

The First Venture

In 1954, with the financial help of Donald A. Campbell, he launched Trudex Manufacturing Co. — a private Ontario company representing an investment of about $400,000. It was not long before experience there showed that the opportunities for a much bigger enterprise in the same field were available.

When Trudex began to operate, the Canadian suppliers were being flooded with orders as demand mounted in various fields. The largest market was construction and that was climbing to new records of volume. Hydro demand was getting to the point where there was some difficulty in getting enough distribution cable for plans in hand, quite apart from the cable and wire needed for schemes on the drawing boards.

Production of electric appliances to equip the record volume of houses and other buildings was soaring, and output of autos—the average car takes 150 lb. of wire—was hitting new heights.

"At that time," says Rose, "80% of the business we went after was being supplied from the U. S. and we were able to compete with those imports. We had a fair amount of development and teething problems. But, when we overcame those, it was apparent there was room in this country for a plant a good deal larger than our existing enterprise, and still wider fields open to a plant equipped with the most modern machinery."

The first need in establishing a major plant was capital. Rose knew that a number of foreign investors were looking the wire and cable situation over in Canada. This country as a leading producer of copper, aluminum and asbestos has the basic raw materials at hand though much of it is exported in a raw or semi-processed state. And supplies of plastics and rubber are available from Canadian plants. To many observers, it seemed a straight road from there to filling the gap with finished products.

Home Resources First

But this was processing for Canadian materials and if Canadian capital was available, Rose preferred to use it. It occurred to him as logical that dollars from basic Canadian production might be re-invested in secondary industry.

He was put in touch with the Messrs. H. W. Knight, senior and junior, father and son, who besides being owners of the Bay Street house of Draper Dobie & Co. are especially active in mining financing.

The idea appeared sound to the Knights. The name of Trudex was changed to Standard Wire & Cable. Officers remained the same with Rose as president and Campbell as secretary-treasurer. But a new site was secured in a rapidly developing industrial area in North York. Where Trudex now operates in a 3,600 sq. ft. plant, the new premises cover 40,000 sq. ft. The capital investment, now estimated at $600,000 may reach $1 million by the end of the year, and with substantial plans for future expansion in hand, could total several millions.

But besides capital, a "must" for the new company was engineering and technical know-how such as can be obtained only through long years of experience in the industry. That came with George V. Taylor as plant superintendent who has spent more than 20 years in the Canadian industry and has gained recognition as one of its well-known engineers with the introduction of new wire constructions and aluminum armored cable.

The team was completed with George W. Vogan, who joined the company this month as sales manager, after 26 years as senior salesman with Canada's biggest wire and cable producers.

The new plant, now producing samples, is expected to be in full-scale production in August. It will produce as much in a month as Trudex did in a year—probably more.

In process of installation is some of the most modern machinery for manufacturing wire and cable in this country. Outstanding is an induction annealing system which is claimed to be the first of its kind in Canada though about a dozen operate in the U. S. It operates electrically while the wire is being drawn at nearly a mile a minute.

Estimated to be worth over $100,000, it's claimed this equipment will enable two men to produce more than seven men can on conventional equipment in the comparable operation. It will have an output of 1,000 lbs. of finished, annealed wire in 20 minutes.

Coast-to-Coast Plan

Much of the equipment is being designed, and made on the premises. A crew of draughtsmen have been on the job for six months and the fruits of their work is now coming out of Standard Wire's machine shop. One such product is a complicated knitting machine, which will apply nylon and fabric covering to wire and, it's claimed, do the work of 17 older-style machines on this job.

Standard Wire plans to have its own coast-to-coast organization with stocks and distributors in key cities. And once it is solidly established, sights will be trained on the export market which, Standard Wire's chiefs feel has been overlooked by other Canadian manufacturers.

"We intend to compete on a world basis, especially in South America where there are many Canadian interests," says Rose. "With electrical output soaring in almost every country in the world, I think we in this country should make a much more determined effort for exports than we have been doing."

But, while the young president of Standard Wire does not minimise the competition he expects to meet from established producers in this country, he is warm in his tribute to the help they have given in getting the new company started.

He says: "We are on the best of terms with our competitors. Some of them have assisted us materially to get the plant into production."

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ANNOUNCEMENT

LAIDLAW LUMBER APPOINTMENTS

A. B. COLVILLE | E. B. MACROBIE | H. E. PORTER

Mr. R. W. L. Laidlaw, Vice-President of The R. Laidlaw Lumber Co. Limited announces the following executive appointments: Mr. A. B. Colville, formerly Manager of The Oakville Lumber Co., now a subsidiary of Laidlaw Lumber, to Manager of Retail Sales. Mr. E. B. MacRobie, formerly with the Canadian General Electric Co. Ltd., to Executive Assistant (Sales). Mr. H. E. Porter, formerly with Sherring-Porter Ltd., to Manager of Company Promotion and Public Relations.

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Carrying Stock Purchase Warrants

To be dated June 15, 1956 — To mature June 1, 1962

Principal of and interest (payable half-yearly on June 15 and December 15 up to and including December 15, 1961, and on June 1, 1962) and redemption premium, if any, on the Series B Bonds will be payable in lawful money of Canada at any branch in Canada of the Company's bankers (far northern branches excepted), at the holder's option. Series B Bonds will be issued in coupon form in denominations of $500 and $1,000 registrable as to principal only and in fully registered form in denominations of $25,000 and $100,000 only. Series B Bonds will be redeemable (otherwise than out of sinking fund moneys) prior to maturity at the option of the Company, in whole at any time or in part from time to time by lot, on not less than 30 days' notice, at the principal amount thereof, plus a premium of 5% thereof if redeemed on or before December 31, 1959, of 3% thereof if redeemed thereafter and on or before December 31, 1960, of 1% thereof if redeemed thereafter and on or before December 31, 1961 and thereafter and until maturity at the principal amount thereof, and redeemable out of sinking fund moneys at the principal amount thereof plus a premium of one-half of the respective premiums set out immediately above if redeemed on or before December 31, 1961 and thereafter and until maturity at the principal amount thereof, together in each case with accrued and unpaid interest to the date specified for redemption; provided, however, that no Series B Bonds shall be voluntarily redeemed or purchased by the Company until all the Series A Bonds have been retired.

Stock Purchase Warrants

The Series B Bonds, when originally issued, will carry Stock Purchase Warrants entitling the holders thereof to purchase 50 shares with a par value of $1.00 each in the capital of the Company as presently constituted in respect of each $1,000 principal amount of Series B Bonds at $2.25 per share, which Stock Purchase Warrants will expire at 5:00 o'clock in the afternoon (Eastern Standard Time) on December 15, 1960. All payments on the exercise of Stock Purchase Warrants shall be in cash. Provision will be made for appropriate adjustment in the number of, and price payable for, shares issuable pursuant to the privileges attaching to the Stock Purchase Warrants in certain events. Reference is made to the prospectus for further particulars relating to the Stock Purchase Warrants.

Sinking Fund

The Trust Deed will provide for the establishment of a sinking fund for the Series B Bonds designed to effect the retirement of all the Series B Bonds on or prior to maturity, but will contain provisions to the effect that, so long as any Series A Bonds are outstanding, any sinking fund payments which would otherwise be payable in respect of the Series B Bonds shall be deferred until all Series A Bonds have been retired, but not later than June 1, 1962. Subject as aforesaid, the Trust Deed will require (to the extent that Series B Bonds are outstanding) that $2,000,000 principal amount of Series B Bonds be retired on or before December 31, 1959, that an additional $4,500,000 principal amount thereof be retired thereafter and on or before December 31, 1960, that an additional $4,500,000 principal amount thereof be retired thereafter and on or before December 31, 1961 and that the remaining $1,000,000 principal amount thereof be retired thereafter and on or before June 1, 1962. Reference is made to the prospectus for further particulars relating to the sinking fund.

Trustee: GUARANTY TRUST COMPANY OF CANADA

The Series A Bonds have been reserved for hypothecation to the Company's bankers as collateral security for a bank loan of up to $6,000,000 on the terms and conditions referred to in the prospectus, and will mature as to $4,000,000 principal amount on December 31, 1958 and as to the remaining $2,000,000 principal amount on December 31, 1959. Reference is made to the prospectus for further details relating to the Series A Bonds. The Series A Bonds are not available for public subscription and do not carry Stock Purchase Warrants.

We, as principals, offer the Series B Bonds if, as and when issued by the Company and accepted by us, subject to prior sale or change in price and subject to the approval of all legal matters on our behalf by Messrs. Borden, Elliot, Kelley, Palmer & Sankey, Toronto, and on behalf of the Company by Messrs. Mungovan & Mungovan, Toronto.

Price: 100 and accrued interest

It is expected that Series B Bonds in definitive form, together with the Stock Purchase Warrants appertaining thereto in definitive form, will be available for delivery on or about July 10, 1956. We reserve the right to accept applications for these Series B Bonds in whole or in part or to reject any application and to withdraw this offer at any time without notice.

A prospectus describing this issue will be furnished promptly upon request.

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You're Never 'Too Old' For Schooling

- An adult, a cynical old saying goes, is a human being whose growth processes have stopped, except outward at the front.
- Educators don't agree. Today they're pushing the fight for the adult mind harder than ever.
- Our universities are teaching more subjects to more adults than ever before.
- And more of these subjects are specialized business courses.

These facts emerged at the 21st annual meet of the Canadian Association for Adult Education, held recently at Queen's University, Kingston, Ont. Here are digests of some of the reports:

The University's Task . . .

BY DR. J. R. KIDD
Director, Canadian Association for Adult Education

The term "adult education" has meant the provision of elementary classes for the educationally underprivileged but here it means the education of adults no longer engaged in full-time study.

Here are a number of trends:

1. Summer schools are here to stay.

2. The growth in courses given in the evening, both for credit and otherwise is very marked.

3. The most spectacular development in evening classes has been in courses for business or the semi-professions. In many cases, the business or trade association has collaborated with the university in sponsoring the course.

4. There are now many more conferences, seminars and short courses conducted in residence. Several universities are giving attention to such needs in their building plans for the future.

5. Most universities are now offering an increasing number of special services such as libraries, film and music collections, publishing, consultation and advice in many special fields.

6. There is very little interest anywhere in sending faculty men out to give single, unrelated lectures.

7. Increasingly, universities are tending to withdraw from activities such as handicrafts.

8. All universities are interested in many kinds of "leadership training." Instead of holding a course in remote villages in Newfoundland, Cape Breton or the Peace River, the leaders from these areas' villages are brought to some central place where they pursue a course of greater duration and better quality.

9. The development of curricula that are suited to the needs of adult students instead of relying on courses prepared for a freshman class.

The next decade? Some say the increase in the regular student body is going to take every bit of our money and teaching staff and even then we may be overwhelmed. Adult education may have to shift for itself.

This conclusion does not seem justified, because (a) adult education usual pays its way (and sometimes results in a surplus), and (b) competent qualified teachers can be found for many adult courses who are not now on university faculties.

Despite the widespread interest in scholarships for higher education, little effort has yet been made to provide scholarships to suit the special needs of capable and interested adults. Their requirements ought to be considered.

What Business Demands . . .

BY FLOYD MAINE
University of Western Ontario's Extension Department Director

A significant development in our period is the growing dependence of business upon the universities for trained personnel and direction.

The growth of departments and schools of business administration has been phenomenal. Professors are no longer strange museum pieces, particularly if they belong to the economics, geography or science departments, or school of business.

This change has influenced extension departments and now we operate courses for electrical contractors, for the purveyors of builders' supplies, for the paint people, for foremen, and now for management. Realizing the lushness of this last field, our School of Business operates a five-week course in the summer under its own jurisdiction.

In all these cases, business has come to the university because it has discovered that these institutions have something of serious value to offer.

There is another trend. Today we are more interested in how to relax than in how to achieve something of serious import. There is much talk about education for leisure, on a sort of dilettante participation in various things so that our leisure may not be entirely misspent.

This trend is certainly abroad but I don't know how widespread or general it is in university extension work. At Western we have fewer calls for talks on economics and more for current events than we used to, but on the whole I think our work has more of a serious educational content now than it ever had.

I would guess, without having statistical data before me, that we are doing more solid academic work.

For Living . . .

BY MRS. RYRIE SMITH
Toronto YWCA President

We have come to realize that an informal program of education for living can best be presented to individuals in groups.

This is of paramount importance when it comes to working with immigrants in our country. We do not want these people to conform to the point of erasing all marks of their backgrounds yet they must feel acceptance.

The right to non-conformity or being one's self requires of us that we be willing to allow the same freedom to other people. (We have always had with us the cultural and religious differences of the French and English population.)

As we have worked with new Canadians helping them to learn the ways of Canadian living to bring them along to Canadian citizenship, we have found, often to our consternation, how little the native born Canadian understands about the privileges and responsibilities which citizenship carries with it.

To meet this obvious need we have worked out what we are calling a "Key to Canada" program. Two years ago a National Assembly of young adults asked for such a program. A year ago we were able to bring together for a three-day discussion period 35 adults from all parts of Canada.

For three days we discussed what should be included in such a plan and how it could be used. We now have the program in action and a dozen associations have already begun to work on the project.

It is designed specifically for young people who are coming to voting age, but the local associations have adapted it. It has been used successfully with participants from all age groups.

Where Broadcasting Fits . . .

BY JOHN BARNES
Television Presentation Director, CBC

In 1935, the broadcasting industry's task was how to consolidate public control of radio under the new Canadian Radio Broadcasting Commission. There had been two seasons of programming six hours a day on a network of 54 stations. Radio covered about 45% of Canadians.

Signposts since then:

- 1936, CBC formed. Private stations form Canadian Association of Radio Broadcasters.
- 1939-1945, CBC and private radio work to unite Canada behind the war effort.
- 1941, CBC forms national news service, national farm forum, regional farm broadcasts.
- 1942, CBC forms National school broadcasts.
- 1944, CBC and Canadian Association for Adult Education cooperate to form Citizens' Forum.
- 1947, CBC Wednesday Night.
- 1952, CBC television in Toronto and Montreal.

There are now 38 television stations in operation or building.

Television means, among other things, that few can take part and the audience, through sight and sound, is perhaps conditioned to conformity more closely than by any other agency.

What's more, its attitudes tend to be geared to the common denominators of the community.

In South Asia

BY MOHAMMAD MIR KHAN
Pakistan's permanent delegate to the U. N.

There is no Asia in the sense in which there is a Europe or North America—there are many separate and dissimilar races and nationalities and there are many ways of life with little intercourse between the major regions.

Pakistan is nearly 90% illiterate. Thus our question is: Is it more important to attack the problem of mass illiteracy, or to address ourselves to the problem of adult education?

It will be years before campaigns for fundamental education will bring about a substantial change in South Asia, an area in which more than 1,200 million persons, half the world's population, can neither read nor write.

ANNOUNCEMENT

GORDON H. THRING

The Bata Shoe Company of Canada Limited announces the appointment of Mr. Gordon H. Thring as Manager of the new Bata Shoe plant to be established in Khartoum, Sudan. Mr. Thring was formerly Export-Import Manager of the Bata Shoe Company of Canada Limited, and from 1948 to 1951 was manager of Compar s.p.a., in Padova, Italy, an associated Bata company. He has been with the Bata organization since 1946.

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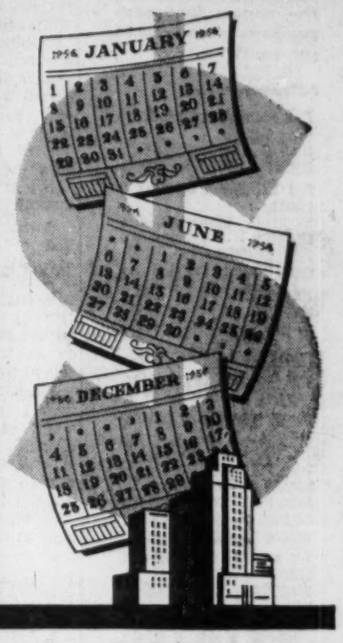

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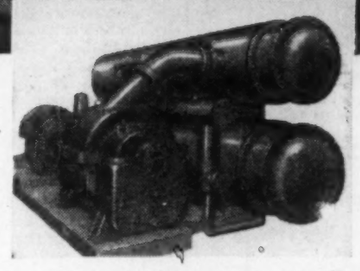

This is the York 800 ton centrifugal water cooling system which prompted the following article to be printed in Toronto's Telegram of July 22, 1955.

"John Legassicke of Confederation Life's personnel department said the air-conditioning was so effective in the company's new building he thought perhaps there might be trouble getting employees to go home."

REFRIGERATION · AIR CONDITIONING
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takes a lot of cooling
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Big problems require big answers—and the air conditioning of the new Confederation Life Building Toronto was a big problem. Canadian Ice Machine Co. Ltd. had the answer in an 800 ton turbo compressor—reputedly the largest air conditioning unit yet installed in Canada.

CIMCO is proud to have been associated with Universal Plumbing & Heating Co. Ltd.; contractors. Wiggs, Walford, Frost & Lindsay; consulting engineers. Charles S. Leopold; consulting engineer. Marani & Morris; architects, in the successful completion of this splendid air conditioning installation.

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Foreign Exchange Rates

Noon Value in Canada
Week Ended June 22, 1956

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Mon.	98 14/32	2.76 2/16
Tue.	98 14/32	2.76 2/16
Wed.	98 15/32	2.76 2/16
Thu.	98 13/32	2.75 12/16
Fri.	98 12/32	2.75 11/16
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U. S. rate reported by Bank of Canada.

U. K. bid rate reported by Toronto-Dominion Bank.

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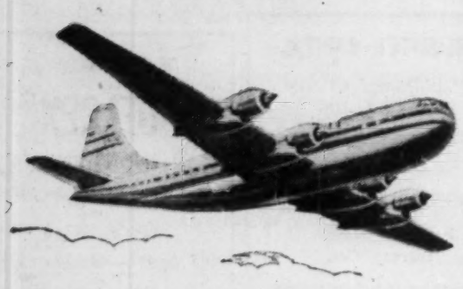

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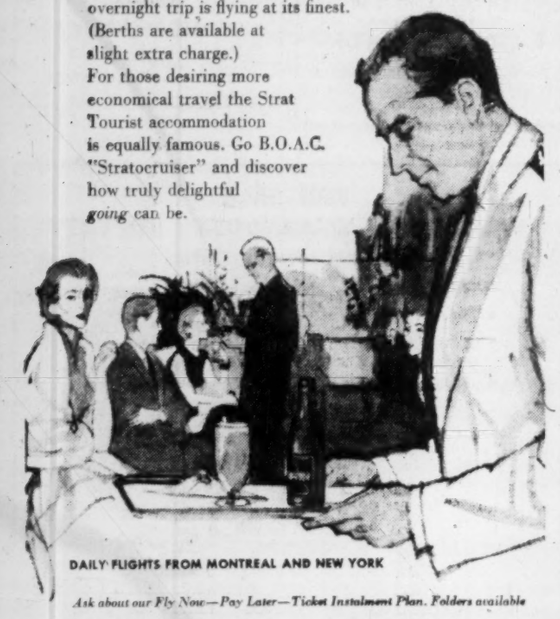

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Put Up With Credit Restraint

Better Than Inflation Or Controls, Says Banker

Many businesses and individuals are unable to carry out some of their plans now because of current restrictions on credit. But it's better to put up with a certain amount of restraint now than to bring on another bout of inflation or to revert to direct controls over business and individuals.

That's the contention of F. W. Nicks, general manager of the Bank of Nova Scotia and president of the Canadian Bankers' Association, contained in his address to the association's annual meeting at Montebello, P.Q., last week.

Here is a digest:

By F. W. NICKS

The past nine or ten months have witnessed a pronounced reversal of the relatively "easy money" conditions which prevailed through 1954 and well into 1955. In contrast to the somewhat sluggish demand for bank credit during the period of mild recession in 1954, the pressure for additional credit has been unusually strong during the past 12 months, so much so that there has been increasing restraint applied by the Bank of Canada.

This means that loans have become less easy to obtain, and that increases have become difficult to arrange and, for some purposes, quite out of the question.

It may seem strange to talk of credit restrictions while there is abundant evidence of continuing prosperity for the country at large. But we are living in an age of national economic management, not only in Canada but in all leading nations, and one of the prime objectives of such management is to see that booms do not get out of hand and lay the groundwork for depressions.

During the past year, there has been extensive use of conventional central banking methods to limit the rate of credit expansion, and there have also been specific arrangements made between the Bank of Canada and the chartered banks.

There can be no doubt that the recovery from the business recession of 1954 was remarkably rapid. In less than a year, the Canadian economy not only made up for the lag which occurred from late 1953 to early 1955, but also achieved a very large additional growth based on rising population and rising output per head.

Few businessmen, bankers, or government experts foresaw the rapidity of the business recovery, and it is therefore not surprising that restraining measures lagged somewhat behind the realities until late in the past year. In the first half of 1955 there was a good deal of room for expansion and official policies and business attitudes showed little if any concern about inflation.

Moreover, bank loans did not at first reflect the recovery in business, partly because many concerns were in fairly liquid condition and also because there was no building-up of inventories. In the second quarter of 1955, however, the demand for loans picked up notably, went on increasing in the third quarter and showed a particularly sharp advance in the late months of the year.

With the unexpectedly high volume of business, numerous firms found their working capital inadequate. This led to an unusually strong demand for "term" loans. In addition, it so happened that the swelling requirements for bank credit coincided with a very strong demand for residential mortgages — a sphere of credit which the chartered banks had been invited to enter by the legislative changes of 1954 and further encouraged to develop by the "easy money" conditions which continued into 1955.

Altogether, the increase in total Canadian loans from March 1955 to early May of this year was around $1.2 billion, or roughly 30%. In addition, mortgage loans made by the banks under the National Housing Act increased about $250 million in this period.

Tighter Monetary Policy

Until the autumn, monetary conditions were such that the chartered banks were able to meet additional demands for loans without disposing of other assets. In September and October, however, there was some noticeable tightening in the monetary situation. The Bank of Canada acted in such a way as to keep down the banks' cash reserves and signaled the tighter position by several increases in the Bank Rate. The banks therefore found it necessary to sell securities to make room for their loan commitments.

As bond sales increased during winter and spring 1955, their prices declined and of course interest rates moved upward. The more pronounced increases in yields occurred first in the short and medium-term securities, but considerable increases eventually occurred also in the longer ones. The pressure toward higher yields in the bond market has spilled over into other interest rates as well.

As I have already indicated, the Bank of Canada's measures to restrain the rise in bank credit have included not only the usual methods of tightening reserves and increasing the Bank Rate, but also some special requests made of the banks.

One of these concerned the rapid rise in "term loans" to corporations, and the increase in direct purchases of corporate securities by the banks. There have been a good many instances where the borrowers have sought additional bank credit for longer-term purposes, and not infrequently in 1955 they were able to obtain loans of greater than one year in length. In some cases, these loans were to small and medium-sized firms which face difficulties in obtaining funds for long-term projects by means of public issues of securities. Sometimes, however, large firms as well found it more convenient to borrow from the banks rather than in the open market.

The highly competitive atmosphere of Canadian banking—with each bank striving to meet the legitimate requirements of its customers, both old and new — helped to bring about a substantial growth in these "term loans" and holdings of corporate securities.

In September, the Bank of Canada requested that the banks survey their commitments with respect to "term loans" and direct purchases of corporate securities. When the first complete returns became available in November it was found that such commitments exceeded $400 million. The Bank of Canada asked the chartered banks to refrain from making new commitments for term loans and the chartered banks readily agreed.

In addition to this specific request, the Bank of Canada asked the banks to examine very carefully applications for new credits and for renewals of existing credits with a view to maintaining control over future growth. As a result of this discussion, the banks have instituted restraining policies.

Though such policies have not prevented a further significant increase in bank loans, there is no doubt that they have held the supply of credit below what it would otherwise have been. Because of the continued strength of the business upsurge, and also because of commitments undertaken when credit was more generally available, the momentum of the expansion in loans has been very great and has carried right through the winter and spring. Nevertheless, the effects of tighter money have taken hold, and are certainly limiting the size of the expansion in loans.

Secondary Reserve Ratio

One further measure proposed by the Bank of Canada in November was that the chartered banks should adopt a practice of maintaining a 15% minimum ratio of liquid assets (cash, day-to-day loans and treasury bills) to deposits. The banks agreed to work to achieve by May 31, 1956, a 15% ratio, of which 8% would be the already established legal minimum cash reserve, and the other 7% would be, according to the terms of the unofficial arrangement, treasury bills and day-to-day loans — mainly, of course, bills.

The purpose of the minimum ratio, in the view of the Bank of Canada, was to increase the effectiveness of a restraining monetary policy by limiting the ability of the banks to dispose of such liquid assets in order to expand loans. It was felt by the Bank of Canada that the adoption of a practice of keeping a secondary reserve of liquid assets in addition to cash would assist in bringing the influence of monetary restraint to bear earlier, more gradually and with greater certainty than would otherwise be the case.

It is too early as yet to say what the effect of the secondary reserve ratio will be on monetary policies and on the operations of the chartered banks. There are undoubtedly important questions still to be answered; one of them concerns the size and appropriate structure of chartered bank holdings of other Government of Canada bonds, in the light of the fact that the banks now hold a large volume of short-term securities which are "liquid" but which in the ordinary course of events they may not dispose of under present arrangements.

If the special arrangements which have been made in the past year have helped, along with more orthodox measures, to moderate a too rapid expansion of credit, this is of course all to the good. Experience is showing that it takes a good deal of determination and rather strong medicine to bring a surging business expansion under reasonably effective control. The credit restrictions which are currently in effect no doubt are a burden on many businesses and individuals which would like to have greater access to lending facilities. It is unpleasant to be told by one's banker that there is simply not enough money to go 'round. The banker, too, finds it unpleasant and difficult to have to apply restraining measures against his customers.

However, it is better to put up with a certain amount of restraint now, and to work out our financial problems in a spirit of co-operation and concern for the general interest, than to accept the alternatives. For the alternatives might be either another bout of inflation, with the attendant danger of a serious subsequent shakeout, or else a return to the apparatus of direct control over business and individual activities which most of us are happy to have put behind us.

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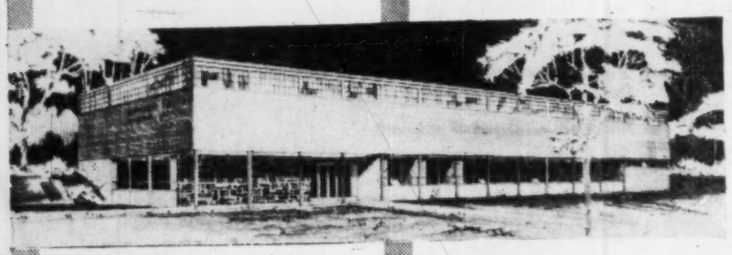

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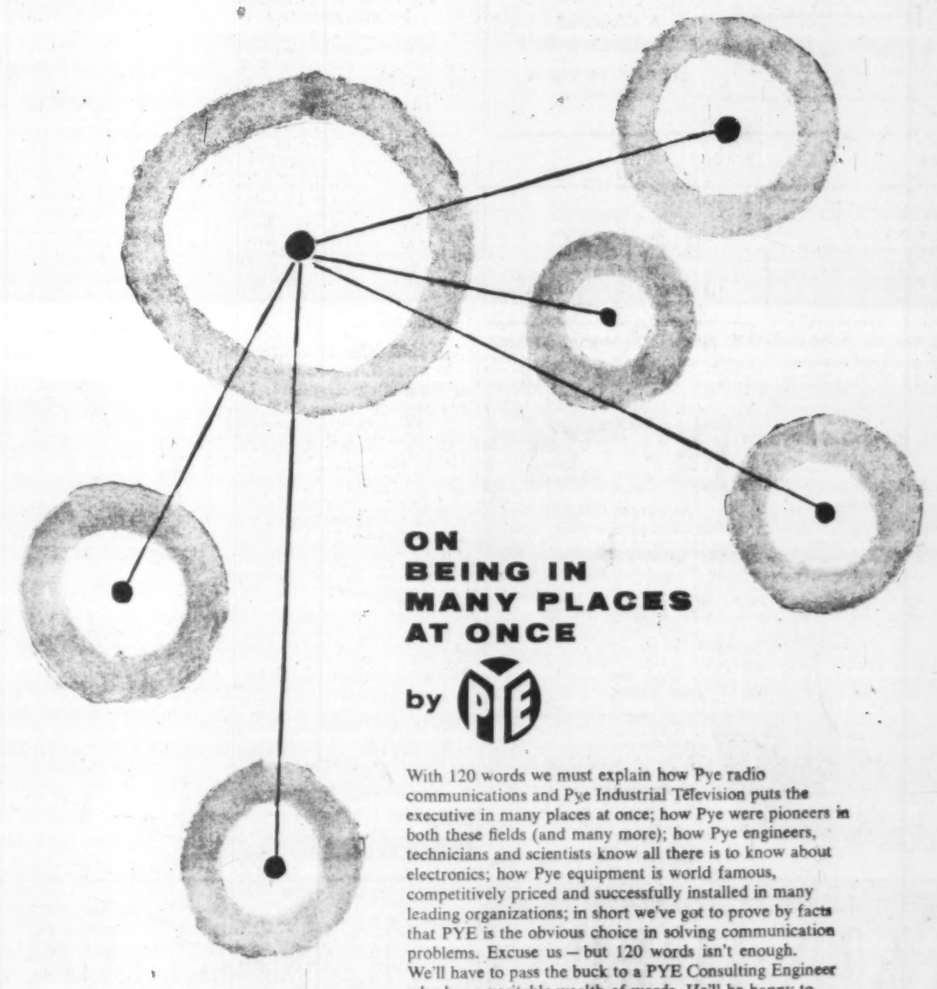

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Higher Wages and Profits Push at Consumer Prices

OTTAWA (Staff)—The biggest economic question of the moment—can prices withstand inflationary pressures?—was underlined in new evidence this week.

Consumer prices remained virtually unchanged during April and May. But labor's pay envelope in April was 11% fatter than at the same time last year, and 10% greater in the first four months.

Total labor income for April was $1,121 million, up $28 million from March and up $110 million from April, 1955. For the January-April period, labor income was $4,381 million, a $400-million boost.

Corporation profits in the first three months of this year were at about the same level as in the last quarter of 1955, but well above year-ago totals.

In the first quarter, profits before taxes were $728 million, or $158 million over January-March, 1955. After a 44% income tax bite (compared with 46% last year), corporation profits were $407 million, a rise of $97 million over first-quarter 1955.

Before-tax profits in manufacturing in January-March were up $90 million or 32% at $373 million, compared with the similar 1955 period. In the non-manufacturing sector, profits before taxes were $355 million, a 24% increase over 1955's $287 million.

This year's higher labor earnings are due in part to a higher wage level, and in part to this year's fuller employment (FP, June 23). Workers in all main trade groups are sharing in the increase in earnings, but proportionately the biggest gains have been made by workers in the labor-short construction industry.

Income earned by construction in the first four months of 1956 added up to $283 million, an increase of nearly 19% over last year's comparable $238 million. A 7% increase in one month alone—March to April—boosted construction workers' earnings to $74 million from $69 million.

Labor in the manufacturing field earned $371 million in April ($333 million a year earlier), and $1,443 ($1,302) million in the four months.

Alaska Mercury Production Starts

DeCoursey-Brewis Minerals is producing mercury at the rate of 300 flasks a month from its property in Alaska, A. W. White, president, reports.

"This is equal to about a sixth of total U.S. production," Mr. White says.

Since the mine came into production under the present management, 905 flasks, worth $203,000 have been shipped. The company has a contract for sale of 1,500 flasks at $255 a flask.

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Gypsum Lime Earns 91c In First Half

Gypsum, Lime & Alabastine Ltd. net profit for the six months ended May 31, 1956 amounted to $797,212 ($655,096 in the comparable 1955 period), equal to 91c (74c) a share. Earnings are $735,888 ($604,704).

During the final six months of 1955, all plants and quarries operated at capacity. Therefore company doesn't anticipate earnings can be materially improved upon for the balance of the year, President Philip Norcross Gross reports. The high level of construction activity experienced in the latter part of 1955 continued during the spring this year, resulting in favorable sales volume and earnings.

"Some indications exist that shortages of mortgage funds may slow down housing construction which will, in turn, affect demand for products manufactured by your company," the president said.

Increased productive facilities under construction at Hespeler, Beachville and Blubber plants are expected to be operating late this year.

Class "A" Papers To Boost West Coast Sales

To boost west coast sales, Class "A" Newspapers, Toronto, is setting up its own branch office in Vancouver. For the past 10 years the organization's 64 Canadian weekly, semi-weekly, thrice-weekly and nonmetropolitan daily newspapers have been represented in the west by L. C. Way and Associates.

W. Gordon Crockett is to head the new office located at 198 West Hastings Street. He started his newspaper career with the Saint John Citizen, N.B., and later acted as public relations officer in the Maritimes for the Dept. of Veterans' Affairs.

Crockett was editor of the Powell River News when the paper won trophies in the Better Newspapers Competition in 1952. He left the News in 1953 to buy The Summerland Review, B.C. He sold the Review to take up his new appointment, which is announced by Herbert A. Sandison, national advertising manager, Toronto head office.

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$90,000 Mortgage Wanted By Baby Carriage Manufacturer

File NO-3010—Old established family owned company manufacturing baby carriages will pay 8% interest rate to borrow $90,000 for ten years (repayment guaranteed in Canadian dollars). Security — chattel first mortgage on plant and equipment having a replacement value of $213,000. Mortgage monies will be used to stock pile raw materials, improve company's working capital position, and finance general expansion to increase production. The firm is ably managed and is operating at a profit, approximately eighty people are employed in 30,000 square feet of factory area. Photo of plant, balance sheets, product catalogue and invitation to visit company will be forwarded on request.

$75,000 Mortgage Wanted By Television Cabinet Manufacturer

File NO-3011—One of Canada's largest privately owned television cabinet manufacturing companies will pay 9% interest rate to borrow $75,000 for five years (repayment guaranteed in Canadian dollars). Security—first mortgage on 40,000 square foot factory, building having a replacement value of $180,000. Mortgage money is required to purchase raw materials for large orders and provide expansion capital to diversify production by acquiring new lines of products. Management is extremely cost conscious and fully experienced. The firm employs eighty-four people making over a half million dollars of products annually. Photograph of plant, last ten year's balance sheets and invitation to visit factory will be forwarded on request.

$400,000 Mortgage Wanted By Company Building New Hotel

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MANAGED INVESTMENT

Compton Account Value Gains Despite Market Dip

Compton's account not only weathered the downward market pressure in the last month, but actually climbed $65 to a value of $36,405 at June 15.

Compton's Manager Says:

Once again the stock market has declined, by about 1.8%, between May 15 and June 15. Nevertheless, Compton's account has resisted the downward pressure, and has even risen slightly during the same period. There has been no change in its rate of income.

At this mid-point of 1956, let us review the progress made by Compton in the last six months. He has increased the number of companies in which he holds stock from 10 of which four were mines, to 11, of which three are mines. To do this, he has sold:

25 C.P.R.
25 Powell River
20 Hiram Walker
50 Waite Amulet.

He has bought:

25 Canada Cement
15 Dominion Stores
30 Industrial Acceptance
25 Hudson Bay Mining

Between mid-December and mid-June, Compton's account has increased in market value by nearly $4,400: proportionately this is a gain of 13.7%. The corresponding rise in the DBS market average was 9.5%.

His rate of income meanwhile increased by only 1%. This small increase perhaps ought to be taken together with the fact that during the preceding half year, from June 15 to Dec. 15, 1955, his rate of income had risen by just about 12%.

For some time past, Compton has sought to acquire more stocks which may be expected to increase steadily their rates of dividend, over reasonable lengths of time. While endeavouring to maintain a good present income from his account, he has not always maximised his immediate yield, believing that in future his income will be much more handsome.

Of course, the stocks whose earnings and dividends increase steadily, are also the stocks whose market prices increase steadily.

During the 2½ years since Dec., 1953, Compton's account has more than doubled in value, increasing from $17,110 to $36,405. This represents a fairly consistent rise, in relation to the market, of 7/10% each month.

Since the middle of May, Compton has received in dividends $191.75. After making his regular quarterly deduction of $250 for his own use and a further $40 to represent management fees, the balance in his cash account stands at $47.59.

Compton's Account Now Stands:

No. of Shares		Cost Per Share $	Market Per Share $
	Common Stocks:		
100	Abitibi	12.86	39.00
35	Aluminium	49.77	126.75
25	Canada Cement	32.24	29.75
15	Dom Stores	37.20	37.50
30	Indust. Accept.	51.94	51.75
75	Powell River	24.51	55.00
35	Shawinigan	70.45	83.50
15	Hiram Walker	47.73	69.00
	Base Metal Stocks		
25	Cons. Smelters	17.00	33.00
85	Hudson Bay	55.59	83.00
100	Int'l. Nickel	49.32	92.00

SUMMARY

	Book Value $	Mkt. Value June 15 $	Prosp. Ann. Inc. $
Common stocks	10,950	19,277	607
Base metal stks.	10,082	17,080	844
Cash	48	48	....
	21,080	36,405	1,451

Current market value of fund	$36,405.00
Prospective annual income	1,450.75
Aver. yield on original $10,000	14.51%
Aver. yield on curr. mkt. value	3.99%

MacNab Portfolio Changes May Bring Capital Gain

MacNab's manager feels that the latest changes in his client's portfolio (FP June 16) will improve the opportunity for future growth and at the same time ensure a desirable measure of security.

MacNab's Manager Says:

A valuation of your account as at June 15, indicates a total market value of $36,955, compared with $37,616 at May 14.

The following changes in your account have been made during the past month. I sold $1,000 Dominion Textile 4% convertible debenture due 1966 at $93 and accrued interest, and 30 shares of Abitibi Power and Paper 4½% preferred at $25. With the proceeds I bought 30 shares of B. A. Oil at $38.75 and 20 shares of Bank of Montreal at $50. As a result of this transaction your annual income will total $1,479.25, compared with $1,491, a decrease of $10.75.

The addition to your holdings, of a bank stock and an integrated oil company will, in my opinion, improve your opportunity for capital gain and at the same time provide the measure of security which I consider necessary in your account.

The depressed condition of the textile industry does not make the convertible bonds of Dominion Textile overly attractive, other than for income purposes, at least in the near future.

Further changes in your account will be made from time to time when advisable.

Investment income in the month ended June 15 amounted to $108.50. After the usual monthly withdrawal of $40, the additional quarterly withdrawal of $5 to cover safekeeping charges, management fees, etc., and the expenses of the latest portfolio changes, there was a cash balance of $73.

MacNab's Account Now Stands:

No. of Shares		Cost Per Sh.	Mkt. Per Sh.
	Common Stocks		
40	Abitibi	25	39
60	B. C. Tele. ord.	34½	46¼
50	Calgary Power	60	58½
100	CPR	23.85	32½
45	Cons. Min. & Smelt.	31	33
50	Dist. Corp.-Seag.	30.85	35
50	International Utilities	21½	47½
20	Noranda Mines	34.44	60
50	Powell River	26⅜	55
40	Howard Smith	21¾	44½
30	Hiram Walker-Good. & W.	52½	69
50	Sicks Breweries	28½	26½
30	Dom. F'dries & Steel	25	28⅝
50	Montreal Loco.	17¼	16½
50	B. C. Power	33½	41
30	B. A. Oil	38¼	42¼
20	Bank of Montreal	50	49¾
	Preferred Stocks		
50	Acadia Atlan. Sug. A	17¾	21½
50	Aluminum Co. of Can. 4½% 2nd pfd.	51¼	50½
	Convertible Corporate Bonds		
$1,000	CPR 3½%/66	100	104
$1,000	Dom. Stl. & Cl. 4%/61	100	100
	Market value		36,881.25
	Cash		73.39
	Total value		36,954.64
	Original amount invested		10,000.00
	Capital gain		26,954.64
	% capital gain		269.55
	Annual income		1,479.25
	% yield on orig. invest.		14.79
	% yield on market value		4.01

ANNOUNCEMENT

VANADIUM-ALLOYS APPOINTMENT

DOUG KLINKHAMMER

Robert J. Murray, Vice-President-Sales, Vanadium-Alloys Steel Canada Limited, London, Ont. announces the appointment of Doug Klinkhammer as Manager, Special Steels Division. Mr. Klinkhammer will headquarter in Toronto where he had been with Atlas Steels for thirteen years.

A cow's best friend

Any self-respecting cow likes to know that the precious food product she supplies is handled with greatest care so it will reach her customers fresh and pure.

From the dairy farm to your doorstep, aluminum is aiding the hygienic handling and processing of dairy products. Milk pails, cans and churns . . . tank trucks and dairy equipment . . . hoods for milk bottles and foil for butter and cheese . . . all are of aluminum. This modern metal's smooth surface prevents contamination, is easily kept shiny-clean. And it does not "pick up" foreign flavors or odors. As one European authority has said, aluminum and milk are made for each other.

ALUMINUM COMPANY OF CANADA, LTD. (ALCAN)

Bank Staff Changes

Imperial:

R. C. NURSE, to be an executive assistant, head office.
G. B. DUNLOP, to be a supervisor, head office.
J. E. BISHOP, to be 2nd assistant manager, Toronto.
A. L. SMITH, to be accountant, Toronto.
M. DONICH, to be attached to the accountant's department, Toronto.
G. A. PLAXTON, to be attached to the accountant's department, Toronto.
R. J. ROLLAND, to be accountant, Eglinton and Glenarden.
G. A. BENHAM, to be manager, Sheppard Ave. and Pharmacy, Toronto.
D. MACPHERSON, to be teller-accountant, Sheppard Ave. and Pharmacy, Toronto.
W. M. THOMPSON, to be accountant, Aylmer, Ont.
T. H. KILLORAN, to be accountant, Cobalt, Ont.
G. H. CLEMENT, to be 1st assistant accountant, Kapuskasing.
P. E. PICHE, to be 2nd assistant accountant, Kapuskasing.

Lithium Plant Now Operating

Canada's first lithium processing plant went into operation this week. It was the Scarborough, Ont. lithium grease plant of Surpass Petrochemicals Ltd.

Installation of the special plant equipment marks an important step forward in Surpass plans for production of a wide range of petrochemicals and corrosion control chemicals hitherto all imported into this country. Next step will be installation of a sulphonating plant, designed by Girdler Corp. and Surpass engineers.

Lithium-based greases and specialty lubricants will form a major product group for Surpass and orders for these products have been received from several of the leading oil blending and oil refining companies in Canada.

Surpass was recently placed in a favorable position to advance its over-all production plans through purchase of Alox Corp., Niagara Falls, N.Y. by Montgary Explorations Ltd. which is developing a lithium mine in Manitoba and holds controling interest in Surpass. Alox, for 30 years a producer of petrochemicals in U. S. had previously been under exclusive sales and manufacturing agreement with Surpass for marketing of its products in Canada. Now Surpass gets free access to the extensive research information, working formulas, field experience and patents built up by Alox.

ACCOUNTS RECEIVABLE WORRIES??

Young ambitious retail Credit Manager seeks challenging position in this field.
Fully experienced in contract preparation and approval, collection procedure, follow-up, etc. Division and County Court repossessions on Canada-wide basis. Sales and customer goodwill conscious — able to initiate credit and collection department or take charge without supervision. Minimum starting salary $6,000.00 yearly. All replies confidential.

Box 752, The Financial Post, Toronto.

OPPORTUNITIES

FOR SALE
AUTOMOTIVE DEALERSHIP
in fast growing community.
Other business interests necessitate reducing operations. Best offer will be accepted.
BOX 759
THE FINANCIAL POST, Toronto

FOR SALE
RETAIL FURNITURE BUSINESS

Located in rapidly growing city in the Maritimes. Well established record of profitable operation for the past 20 years. Good possibilities of further expansion. Highly regarded by consumer and supplier. Current sales in excess of $450,000. If interested apply

Box 751,
The Financial Post, Toronto

PARTNER WANTED FOR HARDWARE BUSINESS
with $15,000 to $25,000 capital

for hardware super market in well established and proven location in Hamilton, must have previous experience in retail hardware. Box 756, The Financial Post, Toronto.

ENGINEERING EXECUTIVE

with long experience in Malaya representing well known U. K. manufacturers of Power Plant, Electrical, Mechanical, Industrial and Mining Equipment, Power Transmission, etc., seeks an opportunity in which his previous experience, knowledge and first class personal contacts with U. K. or Malaya can be utilised. Shortly proceeding to U. K. to visit his connections and report to them. Is free to consider proposals for Canadian or U. K. location. Would welcome hearing from interested parties.

Box 745, The Financial Post, Toronto.

MORTGAGES AVAILABLE

50 standard first mortgages available $15,000 and $16,000 at 6% 5 years. Mr. Roberts, WA. 4-0747, Toronto, or Box 736, The Financial Post, Toronto.

CANADIAN REPRESENTATIVE FOR U.S. MANUFACTURER OF FLAVOR CONCENTRATES

Leading U.S. manufacturer of extracts, flavor and perfume bases, offers profitable opportunity for established manufacturer's representative calling on food, beverage, pharmaceutical, and cosmetic industries. Write to Director of Foreign Sales, Fries & Fries, Inc., 110 E. 70th St., Cincinnati 16, Ohio.

WESTERN CANADA

Do you require any contacts in Western Canada? Have complete facilities and know how to negotiate purchase, sale, merger or any other business propositions. Substantial financial resources and references if required.

Box 742, The Financial Post, Toronto

LUCRATIVE TV & APPLIANCE AT SACRIFICE

Owner retiring, large store, best location in Southern Ontario, leading lines, yearly turnover approx. 500,000.00 this is a gold mine for someone in a position to handle a large business of this type, fully staffed and operating at a good profit available for half its actual value 49,000.00 can be partly financed.

BOX 753, THE FINANCIAL POST, TORONTO

UP TO $100,000 AVAILABLE

for investment in sound manufacturing business in the Montreal area that requires additional capital for expansion, with active participation by mature, experienced businessman. All replies, which will be held in strictest confidence should include answers to the following: (1) Is your business showing a reasonable profit now? (2) What is its growth potential? (3) For what purpose will this new capital be used? Please write to

Box 743, The Financial Post, Toronto

WANTED — MANUFACTURERS' LINES

Firm of professional electrical, mechanical engineers desires new lines. Immediate action. Cover Toronto-Windsor-Niagara Peninsula from Hamilton.

Box 18, Station C, Hamilton, Ont.

YOUNG CLOTHING EXECUTIVE AVAILABLE

Desirous of changing present affiliations and is looking for a firm that requires experienced assistance in business. Proven qualifications in Factory Production, Wholesale and Retail Merchandising of Men's Dress Clothing, Uniforms, Work Clothing and allied items. Sales both direct and promotional —extensive business experience. Age 37. Married.

Box 762, The Financial Post, Toronto

REQUIRED
EXECUTIVE — VICE-PRESIDENT
(Engineer)

Canadian, age group 40-45 with proven experience in administration of metal fabricating industry and technical background of engineering to take charge of small existing industry in Southern Ontario. Owners desirous of expanding scope of operations. Since the chosen applicant will be given complete charge of operations, only those with the highest qualifications need apply. Salary will be commensurate with the ability of the person chosen and is not otherwise restricted. All replies will be held in confidence and our employees are aware of this advertisement.

Reply in writing to

ARDELT INDUSTRIES OF CANADA LIMITED
200 St. Clair Avenue West
TORONTO

CAREERS

This is Canada's national meeting place for executives who have positions to offer, and for those who have ability to offer

SEEKS REPRESENTATION WORK

Requiring use of both analytical and promotional skills. Can do an excellent job in both field and office for responsible company selling to the automotive or aviation markets. Contract or staff basis.

Torontonian, 38, extensive experience in organization and management of marketing and controllership functions. Background in engineering and economics. All replies acknowledged.

Box 760, The Financial Post, Toronto.

QUALIFIED APPRAISER AND PROPERTY MANAGER

Aged 30, seeks position in Company where experience in these matters, and the will to work, would be advantageous. Knowledge of mortgage procedure and N.H.A. work.

Box 755, The Financial Post, Toronto

JUNIOR SALES EXECUTIVE AVAILABLE

Age 34, proven record in sales, sales promotion, salesmen selection and training. Interested in position requiring administrative ability. Presently employed.

Box 729, The Financial Post, Toronto

DISPLAY ADVERTISING RATES

$8.40 per col. inch per insertion. (60 cents per agate line, 14 lines constitute one inch). Closing date — Copy must be in Toronto Office by Tuesday a.m. Display advertising in this section payable in advance.

MANAGER AVAILABLE

Experienced business administrator with 15 years senior executive background. University graduate in Commerce with C.A. degree. Familiar with principal Canadian marketing areas, sales financing, promotion and corporate finance procedures. Presently employed but interested in broader scope with preference for situation in which an equity could become available.

Box 761, The Financial Post, Toronto.

SALES ENGINEER

Electrical Instrument Company in South Western Ontario requires man 25 to 35 to sell electro-mechanical and electronic instruments. Applicant must have previous selling experience and practical knowledge of electrical and electronic work. Professional qualifications are not essential.

Excellent prospects for advancement. Remuneration by salary. Expense allowance will be paid and a car provided. A Group Health Scheme is available. The successful applicant will receive two months' training on full salary.

Reply stating age, qualifications and salary expected to

Box 699, The Financial Post, Toronto

CONTROLLER WANTED

Chartered Accountant or fully experienced man required as controller of a Western Ontario automotive parts manufacturer. Knowledge of standard costs and budgets essential. Total costs of group insurance, hospital, doctors, sickness and accident paid for by the company. Reply giving full particulars including remuneration expected.

BOX 748, THE FINANCIAL POST, TORONTO

EXCELLENT OPPORTUNITY
IN LARGE PAPER COMPANY

Our client is looking for a senior man with the potential ability to assume responsibility in the near future as general superintendent in charge of Mill Operations.

Company is large Newsprint producer and is situated in Eastern Canada.

This is a senior position in the organization, advancement potential is exceptionally good, and salary arrangements should prove very attractive to candidates with the necessary qualifications.

In replying, please give full details on past experience. All replies will be acknowledged and held in strict confidence.

LEETHAM, SIMPSON LIMITED
Management Consultants
UNIVERSITY TOWER BUILDING MONTREAL

INDUSTRIAL RELATIONS

"Labor Roundup"—another Post exclusive—reports on the practical side of industrial relations week by week. Keep yourself in touch with the trend of union activity. Read The Financial Post.

Yearly by mail in Canada $8; elsewhere $7 yearly.

Your WESTERN CANADA Sales

. . . can be increased by our new, aggressive, well-financed Manufacturers Agency. The principal has had 15 years of successful selling of housewares, hardware, leather goods, luggage, etc. Excellent connections with jobbing, wholesale, retail and department store outlets to the head of the Lakes. **Because this is a new Agency, each line taken on will receive maximum selling effort.** Write for full particulars, sales record and references, to:

H. L. McLean,
P.O. Box 852, Vancouver, B.C.

EXPERIENCED CHARTERED ACCOUNTANT AVAILABLE

Seeking top level accounting or managerial position in industrial, commercial or financial organization. Advertiser is 38 years of age, a Canadian by birth and has had extensive experience as a partner in a large and well-known international firm of Chartered Accountants.

Further particulars including excellent references will be furnished on request. Please address enquiries to:

BOX 749, THE FINANCIAL POST, TORONTO

WRITER

Must have at least 10 years experience in analysis of mines and markets.

Broker will pay $300 or more weekly.

Equivalent remuneration for free-lance articles.

Our staff are aware of this advertisement.

Box No. 757, The Financial Post, Toronto

WANTED
YOUNG CHARTERED ACCOUNTANT
for Saskatchewan practice with a view to Partnership

Write Box 722, The Financial Post, Toronto

POSITION AVAILABLE

Correspondence is invited from persons holding a University degree and a C.A. degree for a position on the Faculty of the School of Commerce, University of British Columbia, Vancouver 8, B.C. Salary and status will depend on previous experience.

Address all correspondence to the Director of the School of Commerce.

INSURANCE

Expert insurance man for account administration and development position with insurance agency and brokerage firm shortly establishing Alberta branch. Enquiries to be directed to P. S. Ross & Sons, Chartered Accountants, 735-8 Avenue West, Calgary. All applications will be received in confidence and revealed to principals only upon consent of applicant.

INDUSTRIAL MANAGEMENT ENGINEER AVAILABLE

Profit-producing engineer with outstanding 20-year record in production and consulting work seeks responsible and challenging position with expanding and progressive industrial firm. Prefers west coast, Vancouver-based. Capable of conducting manufacturing and marketing studies, analyzing and evaluating problems associated with top-management organization and control, applying recognized techniques of modern management, and engineering cost-reduction and improvement plans and programs. Would welcome opportunity for organization and development of an industrial management engineering function or work in some staff management activity calling for a high degree of creative thinking. Would consider position as executive assistant with prospects of advancing into broader management duties. All replies will be handled in confidence. For resume write

BOX 754, THE FINANCIAL POST, TORONTO

METALLURGICAL SUPERINTENDENT AVAILABLE

Graduate Engineer, thirty years experience in non-ferrous metals, operation, design and administration.

Box 744, The Financial Post, Toronto

SALES ENGINEER

Materials Handling Company with headquarters in Toronto requires a Sales Engineer for its Montreal Office.

Sales experience is required, and an engineering background would be preferred.

Applications will be treated in confidence and should be addressed to:

BOX 750, THE FINANCIAL POST, TORONTO

SUPERVISOR — CUSTOMS AND TRAFFIC

There is an opening in our Montreal office for a man with a supervisory background in Customs and Traffic, but experience in either will be considered. Knowledge of the chemical industry is desirable.

Duties will involve supervision of staff, handling negotiations for loss in transit, Customs duty refund claims, making recommendations to management on problems pertaining to Customs and Traffic.

We offer excellent benefit plans, top salaries, and opportunity for personal development.

Starting salary dependent on experience — minimum of $5,300. Write outlining experience, education, etc. to

Box 746, The Financial Post, Toronto

CLASSIFIED ADVERTISEMENTS

CLASSIFIED ADVERTISING RATES

Flat rate, per word 15c
Minimum charge $4.00

Each initial, figure or fraction, abbreviation and sign counts as one word. If a box number is desired the words, Box 100, The Financial Post, Toronto, count as six words. When replies are mailed to advertiser, 15 cents extra is charged. Closing date—Copy must be in Toronto office by Tuesday a.m. Classified advertising is strictly cash in advance.

POSITIONS WANTED

A.T.I. BRITISH UNIVERSITY, 30 years of age seeks progressive position. Nine years experience in the production, development and sales of yarns and fabrics made from natural fibres and in blends. Box 720, The Financial Post, Toronto.

HONOURS SCIENCE GRADUATE, 32, at present teaching Toronto area, seeks business or industrial opening. Box 747, The Financial Post, Toronto.

NOTICE

Tender No.: Project/SE/2017-G are invited by the Government for the Supply of 132 K.V. and 66 K.V. Transmission Line Towers and accessories.

The prospective buyers interested in the deal may obtain tender sets from the India Supply Mission, 2536 Massachusetts Avenue, N.W. Washington 8, D.C. on payment of $23.10. The bids are to be submitted to the Director General, Supplies and Disposals, Shahjahan Road, New Delhi, India, so as to reach him before 1 p.m. on 8/28/56.

LARGE CANADIAN CORPORATION
operating from coast to coast
Requires
METHODS AND PROCEDURES ANALYSTS
for Eastern Canadian locations

Due to promotion and expansion this opportunity for experienced personnel offers an excellent starting rate in a challenging field. Applicants will need experience in Procedure writing, operating manuals, forms design, office standards, work simplification, machine accounting, etc.

ANALYST TRAINEES

To train as Methods and Procedures Analysts under competent personnel with good opportunities for promotion. Forward your enquiry in confidence with complete information on education, experience, background, etc., to

BOX 758, THE FINANCIAL POST, TORONTO

ANNOUNCEMENT

T. A. RELYEA

The President of The Debenture and Securities Corporation of Canada, Mr. H. R. Jackman, announces the election of T. A. Relyea to the Board of Directors. Mr. Relyea is Vice-President and Managing Director of Canadian & Foreign Securities Co. Limited and Canadian Northern Prairie Lands Company.

What's New

New products, new uses, new ideas, new money-makers. We report them here and invite your contributions. Write to 481 University Ave., Toronto.

Low Pressure Suit

New flying clothing, designed to protect pilots against the ill-effects of very low atmospheric pressures, encountered at extreme altitudes, is now being tested. Consists of a helmet which hermetically seals itself and a pressure jerkin of special design. Outfit is designed to permit the pilot to breath and remain fully conscious if the normal pressurization system in the cockpit fails. (Otherwise if pressurization fails at about 60,000 ft. the pilot's blood boils).

* * *

More Hands, More Fish

For the fisherman there's an extra pair of hands for trolling or still fishing. Holds rod for fishing at any angle and in any direction. This leaves both hands free to row, steer the boat, fix the engine, or help the wife put a worm on her hook. When a fish strikes, the rod can be removed quickly and easily. Simple to assemble, it can be attached almost anywhere. May also be used on shore to hold the rod in a safe, out-of-the-way position when not in use.

* * *

Kinder, Quicker Cleaner

New pot and pan scouring pad consists of soft Polyurethene foam pad with a fine coating of aluminum oxide grain on one side. Extremely pliable for easy use on curved and irregular surfaces. Removes all kinds of grime and dirt, yet said gentle to hands and nails. There are no metallic particles or slivers to get into the fingers.

* * *

Solder-it-Yourself

A new soldering kit for home hobbyists, mechanics and engineers dispenses solder in paste form from a plastic squeeze tube. After solder is applied to the surface to be soldered, the adjacent surfaces are heated. For small jobs, the heat from a match or cigarette lighter directly on the solder is sufficient. For larger jobs a torch or electric iron is recommended. Fast and easy to use, beginners can be successful the first time.

* * *

Emergency Traffic Change

Police, fire departments, ambulances, etc. can speed up their progress by changing traffic lights while moving. A beam from transmitter in the car is picked up by antenna on the light-control box and turns the light red for ten seconds.

* * *

Ocean Phone

New marine radio telephone, designed to meet all present and pending Department of Transport specifications 112 and 110, has been developed in Canada. Features increased power, greater receiver sensitivity and selectivity. Assures 40 watts output power, and clear transmissions with the use of speech-clipping. This greatly increases the intelligibility of the transmitting signal.

* * *

Fair Factory Lady

Overalls for women in industry not only protect clothing from oils, grease, acids and water, but they are becomingly styled. The material which is coated with synthetic rubber, comes in decorative shades. Also has a hem-trough into which splashes drain so that there are no drips onto shoes and stockings.

* * *

Self-Tightening Nut

There's a new nut that tightens instead of loosening under vibration. Comprises a stack of resilient metal discs, assembled by a special manufacturing process, in a hollow nut body. When first screwed on to the bolt the nut is free moving, but as the nut is subjected to vibration, it tightens up. May be unscrewed, however, or adjusted whenever required.

* * *

For Cosy Crops

Polyethylene covers for lettuce and tomato plants offer protection from spring and fall frosts thus extending the growing season. Wire wickets support the 36-inch-wide film.

* * *

Moisture Measure

Apparatus recently developed in Britain accurately measures minute quantities of moisture — as little as 0.000001 gram — in plastics, foodstuffs, paper and other materials, it is said. Uses a refrigerated ice-trap in which water vapor from the specimen is condensed in the form of ice while the sample of the material being examined is being vacuum pumped. When the ice is isolated, container holding the ice is withdrawn, the ice re-evaporates and the pressure is the system rises. The pressure change can be measured and converted directly into grams of water present in the sample.

* * *

Tool Detector

To prevent leaving small tools such as rivet-bucking bars in completed aircraft, one U. S. aircraft manufacturer imbeds pellets of radioactive cesium 137 in all bucking bars and small tools. A scintillation counter is used to locate any left in the aircraft by mistake.

* * *

Faster Color Duplicator

New three and four color duplicator features automatic blanket cleaner which completely removes the image from the blanket in less than five seconds. Eliminates hand cleaning of the blanket, wiping rags and dispenser cans. Also has automatic platex applicator for moistening of the master for reproduction and automatic master clamp cylinder which provides fast means of attaching straight edge direct image masters. The latter makes possible the use of an overlay master without disturbing the base master.

Leica Cameras FOR BUSINESS AND PLEASURE

Write Us for Leica Literature or for our General Catalogue

CHARLES AND COMPANY

1763 AVENUE ROAD, TORONTO • REDFERN 0133

ANNOUNCEMENT

RECENT LIQUID AIR APPOINTMENTS

PAUL J. FILIATREAULT

WILLIAM C. FIRTH

GORDON V. TRISTRAM

An announcement by Canadian Liquid Air Company Limited lists the following executive appointments:

PAUL J. FILIATREAULT has been named supervisor of the recently established Retail Marketing Division. Mr. Filiatreault has been with Canadian Liquid Air for over ten years in the Dealer Sales, Gas Sales and Gas-Welding Products Division. In his new appointment, he will direct distribution of Liquid Air products to the trade through L. A. retail stores, dealers and service trucks.

WILLIAM C. FIRTH has been appointed manager of the company's recently established Niagara Falls branch. Mr. Firth is a Commerce graduate of Dalhousie University, Halifax, and, prior to his present appointment, was with Liquid Air's Medical Gas Division and Gas Welding Products Division.

The company states that the decision to set up this branch was caused by the rapid growth of the company's business in the Niagara peninsula and the desire to serve more effectively the many industries in this increasingly important area.

GORDON VICTOR TRISTRAM who recently was the technical representative for McKesson Co., Chicago, covering Eastern Canada, has rejoined the Medical Gas Division of Canadian Liquid Air Company Limited after an absence of two years in the United States. Mr. Tristram has been named Medical and Technical Representative and will work out of the Company's Toronto office. He has long been associated with technical service to hospitals, particularly in the field of anaesthetic equipment, and his wide experience in this specialized field will be a valuable asset to users of Liquid Air, medical gases and equipment.

Meisterschaft COLLEGE

"Shortest and Surest Method"

MATRICULATION

Complete matriculation in one year — No extra curricular activities — Individual instruction — Small study groups — Combined matriculation and Secretarial courses. Applicants now being considered for Fall Term.

84 WOODLAWN AVE. WEST TEL. WALNUT 3-2073 TORONTO, CAN.

Why Gisele MacKenzie reads The Reader's Digest

"During my childhood in Winnipeg my physician father chose The Reader's Digest as one of the best sources of training for his children in richness and variety of interests. His choice of the Digest has continued to be my own. I read it during breaks at long rehearsals or at bedtime when I can't afford to start reading long articles or books I wouldn't finish."

—GISÈLE MACKENZIE

In July Reader's Digest don't miss:

WHAT WIVES DON'T KNOW ABOUT SEX: Many women are hampered by ignorance and inhibitions in their marital relations. This can wreck the most promising marriage, says eminent physician and marriage counselor, Dr. Abraham Stone, who speaks freely about woman's role in marriage—gives frank answers to searching questions on the subject.

14-PAGE PREVIEW OF FORTHCOMING BOOK: "Grizzlies In Their Back Yard", an account of modern day frontier living in northern British Columbia with the largest colony of grizzly bears in North America for neighbours.

BILLY GRAHAM IN THE FAR EAST: Inspiring story of how Billy Graham stirred thousands in the Far East—even Communists—by the word of God.

YOU'RE LUCKY YOU'RE MARRIED: So you think it would be wonderful to be free, to come home just when you like, eat when you please—and no nagging. "Bunk," says famed author Paul Gallico.

GARY COOPER'S OWN STORY: How Hollywood's beloved star got his start in movies (plus bumps and bruises) falling off horses at $5 a day.

CLOSED CIRCUIT TV COMES OF AGE: How this bright new device provides front-row seats for everybody—in auditoriums, theatres, hospitals, classrooms.

WHY AN AIRLINE PILOT QUIT SMOKING: A description of tests on airmen that show how smoking affects your heart, your ability to see in the dark, and how well you can stand altitudes.

BEST ADVICE I EVER HAD: How the advice, "Don't fight the problem; get on with the solution," helps you come up with clear-headed answers to perplexing questions.

YOUTH-POWER UNLIMITED: How enterprising youngsters are doing man-size jobs for their towns, and — incidentally — benefiting themselves.

There are 41 articles of lasting interest in the July issue of

Reader's Digest

CANADA'S MOST WANTED MAGAZINE

In Canada, Reader's Digest is bought by more people, at every income and occupation level, than any other magazine. (1956 average — over 900,000 copies a month — the only publication covering both English and French markets.)

B.C. Copper Development Speeded Up

The development by American Smelting & Refining Co. of the Highland Valley copper property of Bethlehem Copper Corp., near Ashcroft, B.C., may be completed in two years instead of the three years originally scheduled, Bethlehem's annual report stated this week.

The report reveals following information about company's estimated 67 million tons of 0.70% copper:

"Of material grading 0.70% copper, the estimate for the Iona zone is 25 million tons to a depth of 300 ft.; and for the Jersey zone 22 million tons to a depth of 400 ft. In addition many tens of millions of tons of material ranging in copper content from 0.30% to 0.50% exist in and around the main mineral deposits.

Bethlehem Copper Corp. owns a group of 83 claims in the Mamit Lake area about 15 miles southeast of Highland Valley. This area is geologically favorable and some copper mineralization is known, but, as at Highland Valley, outcrops are scarce and exploration will be difficult. This property has been optioned to Northwestern Exploration, subsidiary of Kennecott Copper Corp., and it is understood that the ground will be investigated this summer by stripping and diamond drilling.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADIAN COTTONS LTD., Montreal, consolidated net loss for the year ended March 31, 1956 was 54.8% lower than for previous year ($605,242 against $1,338,955).

Improvement was due to higher sales volume in cotton textile industry, firmer tone of price structure within industry, a halt in the downward price trend and fewer goods being sold at distress prices, reports President L. C. Bonnycastle.

Increased sales volume occurred in latter half of fiscal year so that operating results showed a small profit before depreciation in last quarter. Company expects this more favorable trend to continue.

Reduction of $2.8 millions in working capital was largely due to inclusion in current liabilities of $2 million funded debt installment due in current fiscal year. Balance was loss incurred less $149,247 from fixed assets sale and $196,087 income tax refund from prior years.

Textile Sales, Ltd. broke even before depreciation provision in contrast to losses in two previous years.

Capital expenditures amounted to only $68,940, consequently higher expenditures will be necessary this year.

Company says that it is in better position than it has been for past three years but it is not possible to predict an adequate return on investment. The favorable factors are somewhat offset by threat of Japanese competition and uncertainties in the U. S.

However, volume should increase further as cotton textile sales are still below level five years ago and per capita consumption shows a considerable decline. Higher demand should result in steadier prices but costs must be cut.

CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1956	1955
	$	$
Net earnings	448,992	1,162,705
Less: Deprec.	nil	nil
Bond int.	156,250	176,250
Net loss & deficit ...	605,242	1,338,955
dLoss.		
Earnings per Share and Dividend Record:		
Pref.: Earned	d$3.80	d$8.40
Paid	nil	nil
Com.: Earned	d5.75	d11.05
Paid	nil	nil

CONDENSED BALANCE SHEET

As at Mar. 31:	1956	1955
Cash		$469,929
Accts. rec.	$2,610,978	2,181,000
Tax recov.	8,646	159,273
Inventories	7,764,443	7,131,745
Total curr. assets ..	10,384,067	9,941,947
Prepd. exp.‡	77,617	288,838
Invest. in subs.	4,850,000	4,850,000
Fixed assets*	7,050,765	7,033,012
Total assets	22,362,449	22,113,797
Bk. overdraft	843,027	.....
Accts., etc., pay.	1,440,085	1,274,532
Funded debt pay.	2,000,000	500,000
Total curr. liab. ..	4,283,112	1,774,532
Funded debt	2,500,000	4,500,000
Invent. res.	.....	.....
Capital stock	5,957,700	5,957,700
Earned surplus	9,621,637	9,881,545

‡Incl. in curr. assets in co's report.
†Trans. to surplus.
*After dep. of 12,820,257 12,806,702
♦After reserve of $60,000.

Working capital	6,100,955	8,167,395

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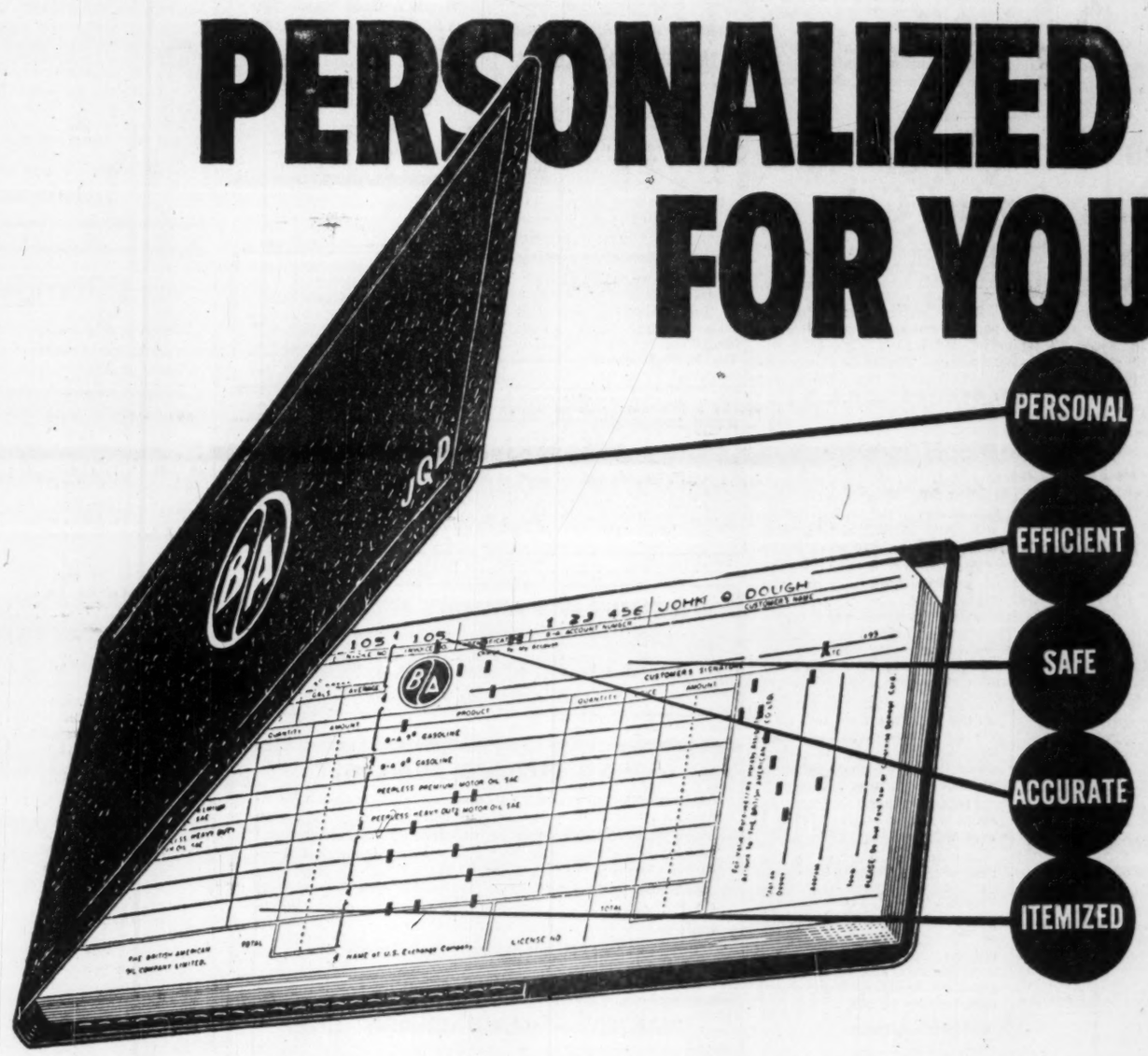

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The Financial Post

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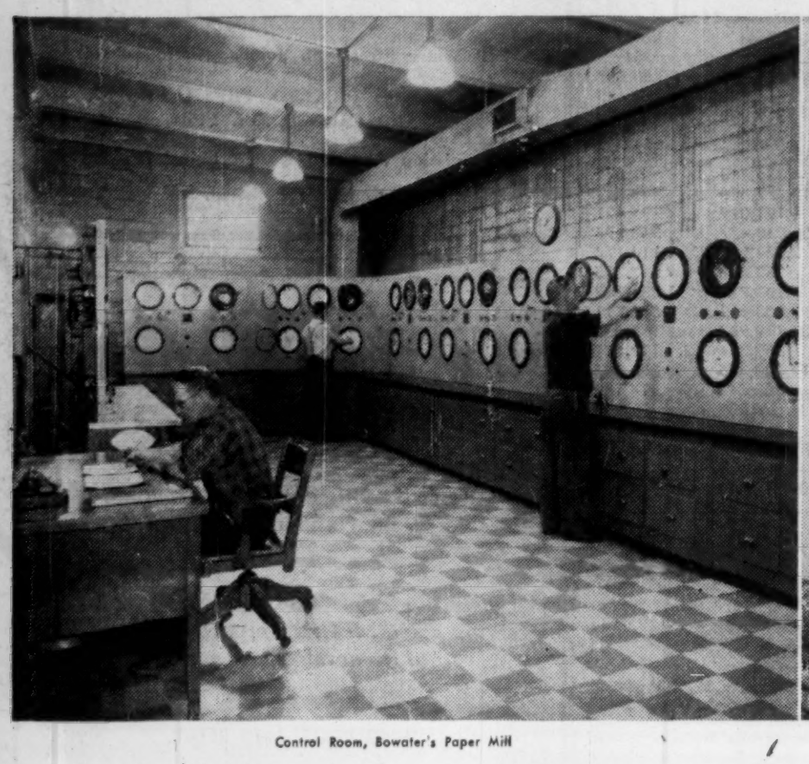
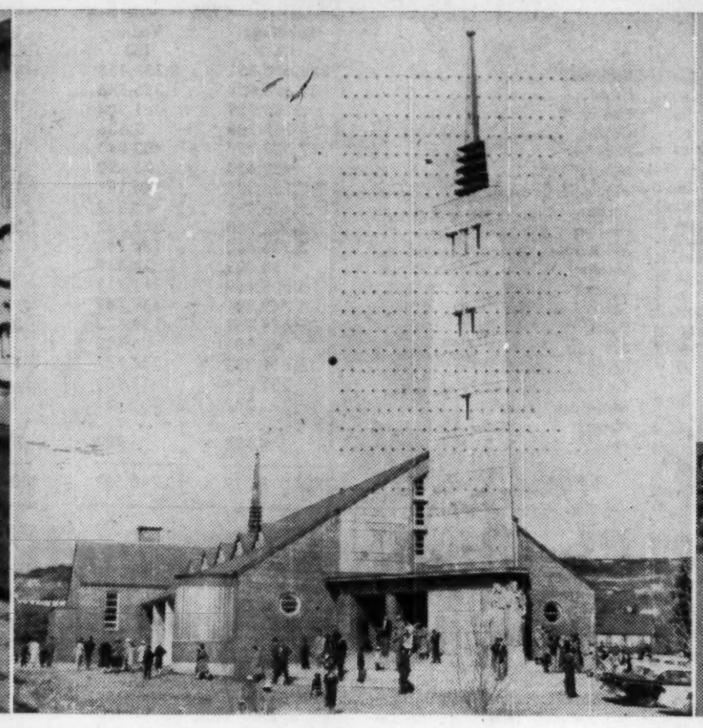
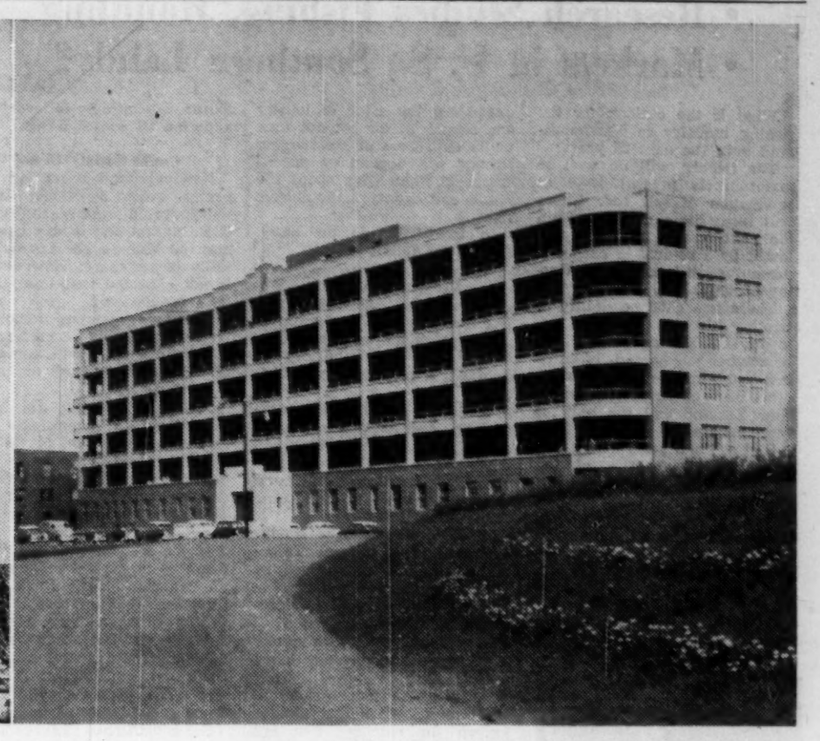


Control Room, Bowater's Paper Mill



Roman Catholic Church, Corner Brook



West Coast Sanatorium

New Province Rises Alongside Old

Newfoundland Readies For 'Year Of Destiny'

By ALLAN FENTON

FOR centuries, Newfoundland has faced, fought and survived the challenge of its rugged economy: export or die.

The problems of the 410,000 hardy islanders are still prodigious and the island is still buffeted by uncertain trade winds abroad. But the traditional fishing industry has become buttressed in the 20th century by mining, pulp and paper and U. S. defense spending.

On this bigger foundation, Newfoundlanders hope to conquer adversity and fashion a brighter tomorrow. Odds are, they will.

In the vast unknown muskeg of Labrador Canadian, British and U. S. interests are exploring for new mineral wealth. The search already has uncovered millions of tons of iron ore and there have been indications of titanium, copper and zinc. At Grand Falls, one of the largest untapped hydro-electric power sources in the world stands ready to be harnessed when a purchaser is found.

While Newfoundlanders stake their claim to future growth on developments such as these, they are completely aware of the economic facts of life.

Newfoundland has little control of internal economic conditions since it imports most of its consumer goods. It is at the mercy of world trade conditions in selling exports abroad and is hampered by dollar shortages in traditional markets. Secondary industry is difficult to develop because local markets are small. Competition is stiff with mass-production on the mainland. Its isolation and distance from markets result in cost problems in exports, and imports of raw materials or other goods.

Newfoundlanders want and need more of the social amenities of life such as roads, hospitals, educational facilities, improved communication. That is why they look to 1957 as the year in which their destiny may be shaped.

Under the Terms of Union, the Federal Government is to appoint within eight years a Royal Commission to review Newfoundland's financial position. The form and scale of additional financial aid, if any, is to be recommended on basis of what Newfoundland needs to enable the provincial government to continue public services at prevailing levels — without higher taxes — with those of the Maritimes.

Newfoundlanders argue that existing services are not only lower than the Maritimes but lower than any other province in Canada. They claim that only if these services are raised can the province fulfill its economic destiny.

Development is needed because of population pressure, increased urbanization, low incomes and emigration.

Dory Fleet at Sunset

Beyond Today's Ventures: More People, Power and Production

That is why 1957 looms as the most important year in Newfoundland history since Confederation, and that is why Newfoundlanders are reserved in the short-term forecasts. They are bullish on the long-term, however, and over the next 25 years envision:

- Population will increase by about 300,000 people from the present 410,000 to 700,000.
- Mineral production will at least double and if a smelter is established the province will derive substantially more in terms of income and employment.
- Newfoundland's newsprint production will increase by at least 20% and it could be much higher if a third mill is established.
- Power consumption will be about one billion kwh, around four times the present level.
- There will be at least development of an additional 400,000 hp, not including the Labrador potential, and a smelter would mean more.
- A three-fold increase in production of fresh-frozen groundfish if the Newfoundland fishery can expand its share of the U. S. market to 75% vs. the present 50%.
- If the recent rate of exodus continues there will be no inshore fishery and very little salt cod produced. However, this problem is being tackled and mechanization may provide an answer to save the industry.
- Employment in secondary industry will double if population increases 65% and personal income increases by 2% per year.
- Over the next 25 years, $50 million annually or $1,250 million must be spent on roads, housing, schools, hospitals and electrical power. This is the projected breakdown on these expenditures:
  - —Schools and the university $32 million.
  - —Roads $190 million.
  - —Housing $900 million.
  - —Water and sewage $23 million.
  - —Electrical generation and distribution $75 million.

It is said even these outlays would barely bring Newfoundland to the standard enjoyed in the other Atlantic provinces today.

- Increased areas available for agriculture and fuller utilization of the areas now occupied offer the possibility of increased production. Agriculture, however, has been estimated to account for less than 4% of total income in the province.

In June, this year, the Newfoundlander was more concerned with immediate problems than long-range predictions. Seven years have passed since March 31, 1949, when the province became a member of Canada.

Canada added 155,000 sq. miles to its territory, a population of 325,000 persons, major trade advantages and a vital defense arm to the northeast. Newfoundland gained social security benefits like the old-age pension and unemployment insurance.

The Federal Government assumed responsibility of Newfoundland's sterling debt of approximately $63 million net or about 90% of the total; the province was to retain its $44-million surplus.

Today, Newfoundlanders will still argue the merits and demerits of the deal but there are few who will argue that the province has ever been more prosperous. Since Confederation, here's what has happened:

In 1949, wages and salaries, family allowances, pensions and all other sources of income in Newfoundland amounted to $120 million. This figure has increased steadily since then to an estimated $294 million in 1956.

This has meant more food, clothing, furniture, refrigerators, radio sets, irons . . . In the first six months after the province's first television station began to operate $3 million were spent to buy TV sets.

Pouch Cove, Near St. John's

Industry Brings New Life, Wealth To This Hardy Island Race

The total capital expenditures of $510 million since Confederation include housing because this was considered as much an instrument of production of wealth as the machine at which a man works. The $110-million figure for mining was largely outlays on the iron-ore development in Labrador although $29 million in the total represents expenditure in Newfoundland itself.

In seven years, some $70 million have been spent on public and private services. This does not include expenditures for ordinary account. The outlay: $39 million, roads and bridges; $12,075,000, hospitals; $9,271,000, schools; $7,218,000 water and sewer systems; $5 million, public buildings; $5.5 million, churches.

These developments have meant many things to the Newfoundlander:

- New roads have ended the isolation of many of the small communities scattered around the coastline. It is estimated that more than 100,000 people for the first time have road connection with the rest of the island.
- In the fish industry, there has been great expansion and improvement of modern plants and facilities in the frozen end of the business. The Government made 19 loans to the fishery involving an outlay of $10.4 million.
- Secondary industry has been stimulated, not without trials and tribulations, but it may emerge as an integral part of the economy.
- The building of hospitals, nursing stations, hospital boats, and clinics and the provision of air ambulances and other hospital and medical services that did not exist before have provided better care for the sick, a quicker recovery for many, and life instead of death for some.

Meanwhile, the Fisheries Development Authority is pressing forward its program of providing modern, efficient fish-processing plants. This project already has resulted in a trend to concentration of population around the fish plant which strikes at the root of one of Newfoundland's toughest problems: isolation.

At Quirpon, on the northeast tip of the island, a salt-fish plant was completed early this year and was expected to be in operation in July with a capacity of about 10,000 quintals. At Seldon, also in the northeast, a similar plant with a capacity of about 15,000 quintals is scheduled to begin next year. Both of these are jointly sponsored by the provincial and federal governments and costs total about $275,000. (One quintal is a hundredweight.)

At Merasheen, Placentia Bay, a smaller plant sponsored by the Provincial Government began operation in May. At La Scie, on the northeast coast, the Provincial Government is providing a fresh-fish plant for which tenders were awarded early in June.

Newfoundlanders regard transportation as one of the biggest obstacles, if not the biggest, which must be overcome. Baie d'Espoir — in French, the Bay of Hope but to cynics the Bay of Despair — some boosters say is the natural location to compete most efficiently with the mainland.

On the southeast coast, it provides a year-round port, access to world markets, and substantial undeveloped power. If a smelter were built to operate on copper, lead or zinc from the Maritimes, Newfoundland or Quebec, it would provide quick, cheap and easy access for shipments to world markets.

In developments like Baie d'Espoir, Newfoundlanders pin their economic hopes but to the Federal Government they look for understanding and help with their problems.

A study of major retail and wholesale firms in Newfoundland showed that approximately 80% of their purchases were made in other parts of Canada, the remaining 20% divided almost equally between the U. S. and the U. K.

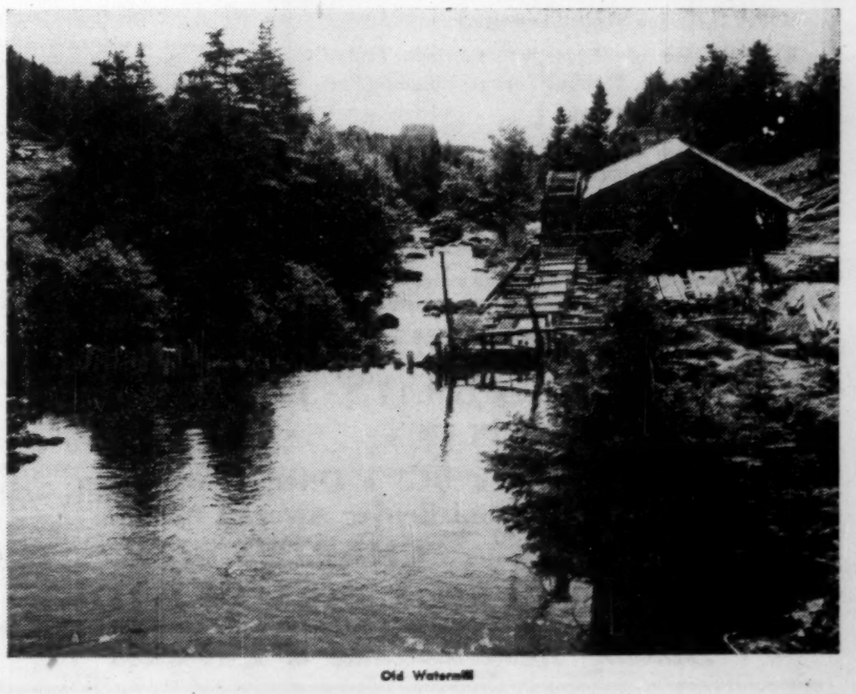
They point out total annual consumer expenditure by Newfoundlanders approximates $200 million, chiefly to other parts of Canada, and perhaps supports a $600-million income in supplying areas.

Since most of these expenditures leak back to the central provinces of Canada, they say it points up the importance of development of the primary industries of the province as the only means by which lasting improvements can be effected and the increasing working force be absorbed.

The adverse "balance of payments" leaves the Provincial Government without tax resources sufficient for a large-scale development program or public services equal to other parts of Canada.

As a result, they say, equal treatment by the Federal Government is not equal total treatment.

That's why the decisions of 1957 will be important to Newfoundland.



Old Watermill

Fisheries Problem: More Markets, Higher Price

• Low Income Takes Many Off Seas
• Research Studies Fishing, Handling
• Markets in U. S., Southern Lands?

What is the outlook for the fishing industry in Newfoundland over the next 25 years?

The fishery will do well to maintain its present level of production of salt cod. There will likely be a decline within the next five to 10 years, followed by a revival in output if present experiments with drying prove to be successful.

There is a good possibility of tripling sale of fresh-frozen fish to the U. S. and these sales may be further augmented by entry into such markets as Britain, other parts of Europe, Australia, New Zealand and the bulk of the countries in the near East.

Salt cod and fresh-frozen fish constitute about 80% of the Newfoundland fishery. The remaining 20% consist of lobster, salmon, and herring chiefly where the demand outlook is good and will probably depend on the availability of the fish rather than the ability of Newfoundland to find markets.

Indications:

There is very little scope for expanding the catch of lobster and salmon at the present time while expansion of the herring fishery will depend on an increase in knowledge about the habits and haunts of the elusive fish.

In brief, that is the story. Here is the detail:

ALLAN FENTON

Mr. Fenton is a Montreal editor of The Financial Post. He has traveled extensively through Newfoundland to compile this special report. A graduate in Arts from the University of Toronto, he covered major news events for metropolitan daily newspapers in Toronto and Montreal before coming to The Post a year and a half ago.

Fishermen Leaving

Since 1945, 14,000 men have left the fishery. The reason: in good season an inshore fisherman might catch and dry 75 quintals, equivalent to about $750.

His out-of-pocket expenses including cost of nets, boats, flakes, gasoline, salt, etc., and depreciation might cost him $250. As a result, fishermen and their sons have been seeking employment elsewhere.

If the recent rate of exodus continues, it is foreseen there will be no inshore fishery and very little salt cod produced in 25 years time. It would be premature, however, to write off production of salt cod as merely a declining or part-time industry.

The inshore trap fishery is the most efficient method known for catching fish but there are two chief problems: (a) it does not last long in the year (b) the necessity of drying the fish places a limit on the time which the fisherman can devote to fishing and severely limits the quantity of fish he can handle.

The problems are not insoluble:

- A combination of trapping and long-lining would enable the fisherman to extend his productive fishing time within from a few weeks to five or six months, or even more, depending on his location.
- Mechanization may be the answer to getting more fish faster. There are experiments under way now with mechanical drying and one entrepreneur was experimenting with a combination fresh-frozen and salt-fish plant which will take the fish from the fishermen in the round-state (normally they are taken gutted with the head on), fillet them, and place the fillets in large vats of refrigerated brine to be artificially dried during the slack winter months.

There are definite signs that the recent expansion in fresh-frozen fish may be followed by a period of consolidation.

Could Supply U. S.

Newfoundland has plant capacity built or being built which could supply the total U. S. market and in any case it may be able to get a substantially larger share. However, it is not expected that total U. S. consumption will grow very much (it consumes imported fresh-frozen fish amounting to roughly 100 million lb. annually of which Newfoundland supplies about half).

Fish sticks seem to have leveled off at a surprisingly low rate of consumption. It is not likely total consumption of imported ground-fish in the U. S. will be over 200 million lb. by 1980 even with increases in population.

If the Newfoundland fishery manages to expand its share of the market to 75% there may be a threefold increase in production of fresh-frozen groundfish. This will mean only about a 50% increase in investment in fish-plant capacity over and above the plants now in existence or under construction.

In considering future prospects of the salt cod fishery, on the demand side there is scope for increased sales in the next 25 years. The product is strongly entrenched in the diet of the tropical Catholic countries and the population of these countries can be relied upon to increase over the next 25 years, thereby increase the quantity which the market can absorb. Since these countries are relatively poor, they must have cheap staple food.

In contrast to the downward trend of salt cod, there is an upward trend of production, especially filleted ground fish (mostly cod and haddock). Production of frozen ground-fish from 1939 to 1955 increased from 788,518 lb. to 59,819,410 lb. It looks like the trend will be to steadily expanding output in sale of fresh-frozen fish.

Off-shore Fishery

The offshore fishery depended until fairly recently on schooners and dories which fished off the Labrador Coast and on Grand Banks. It has been estimated that even the most productive off-shore fishery, which was a deep-sea dory schooner fishery on the Grand Banks, produced only about 100 quintals per man per year. While this is double the product of the in-shore fishermen, this type of fishing is highly capitalized, compared to in-shore fishery.

In the past decade there has been a trend toward a more highly productive technique, which has provided more profitable employment for an increasing number of Newfoundland fishermen. This technique involves provision of draggers, trawlers, and long-liners to replace schooners and dories, filleting plants to replace cod flakes, and refrigerators to replace salt.

From 1945, when build-up with modern fleet began, till 1954 the number of draggers and trawlers in operation increased steadily. In 1945, the dragger and trawler fleet had one vessel with 12 men and a total gross tonnage of 126; in 1953, this had grown to 27 ships with a total gross tonnage of 5,803 and 408 men and in 1955 there were about 35 ships with a total gross tonnage of 6,193 tons employing more than 460 men.

There has been a parallel increase in the number of processing plants. In 1939, there were only five such plants but by 1954 there were 17 filleting and freezing plants and four filleting nonfreezing plants. Other block-freezing plants are now under construction.

At present, the enlarged and mechanized bank fishery with its supporting shore processing plants provides profitable employment for almost 2,500 workers. They manufacture a commodity which is saleable in hard-currency areas, earn more money than workers engaged in the shore fishery and offer proof of the feasibility of modernized, more productive industry capable of standing on its own feet.

The problems of the industry are markets and productivity. The recent revolution in fishing techniques have shown difficulties are not insoluble. But, the developments which are taking place today in Newfoundland took place many years ago in the Scandinavian countries. The fact that services around the coast are poor or nonexistent has made the cost of building and maintaining a modern fishing plant relatively high.

Because the supply of fish in Newfoundland waters appears to be very nearly unlimited, quantity of landed fish will depend on markets, technological innovations, provision of capital for services and industry.

The Outlook

Here are the outlooks for our markets and prospects:

A revolution which has been taking place in techniques of catching and processing fish has its counterpart in changes which occurred in marketing the final product.

The sale of salt cod has always been limited almost exclusively to countries of the Mediterranean and Caribbean area. In recent years there has been an increasing emphasis on the latter market. There is a shift taking place from European to South American markets in recent years. The reasons: Chiefly currency problems and protectionism in the consuming countries.

Dollar shortages have forced some of Newfoundland's European customers to place import quotas on fish from dollar areas, and has also encouraged some countries to build and maintain their own fishing fleets. Another factor is increased competition which Newfoundlanders face from Iceland and Norway especially in sale of better grades of fish to Italy and Portugal.

Regardless of what market is opened to Newfoundland salt fish, it is probable the hope of the salt cod factory lies in lowering the cost of the product rather than increasing its price.

Newfoundland's Fishing Industry

LANDINGS AND LANDED VALUES

	1955 Landings (lb.)	1955 Value ($)	1954 Landings (lb.)	1954 Value ($)
Cod	376,490,851	8,337,153	441,434,774	9,750,667
Haddock	51,596,954	1,385,546	42,816,653	1,189,685
Pollock	165,929	1,304	319,392	3,172
Catfish	267,780	7,636	272,545	8,014
Rosefish	17,502,752	403,083	19,753,827	398,052
Halibut	438,633	70,690	326,153	51,672
Plaice & Greysole	19,166,302	566,141	12,477,630	293,389
Turbot	1,446,088	115,919	1,191,019	95,421
Herring	28,806,940	372,762	32,040,477	366,194
Mackerel	3,255,640	182,283	2,152,262	114,174
Smelts	118,093	14,319	33,846	3,385
Lobster	5,508,159	1,411,713	5,241,713	1,331,392
Salmon	1,749,881	439,789	2,353,811	583,711
Caplin	31,658,052	159,873	31,719,937	158,600
Scallops	48,806	24,403	239,364	119,682
Squid	15,512,383	234,857	14,728,445	221,785
Trout	281,026	12,903	302,544	14,162
Swordfish	252	51	6,331	950
Mussels	.....	.....	960	22
Eels	4,208	126	1,000	30
TOTAL	554,018,729	13,740,551	607,412,683	14,704,159

Big Roads Program Will Link Communities Now Isolated

Newfoundland is under way with an ambitious road-building program to overcome the isolation of the hundreds of small communities that dot its 6,000 miles of lonely, rugged coastline.

It is a difficult, expensive and long-term program, to cost millions of dollars. But its completion is vital to the thousands of people in these small towns and villages.

Many of the 1,300 communities in Newfoundland are completely isolated for many months in the year when the Arctic ice surrounding them cuts off water transportation. Hundreds have no access to other settlements because there are no roads.

Since 1949 there has been a rapid expansion of the road system and the building of snowmobile trails will enable the people of many areas to reach other towns during the winter. It will be possible for them to obtain supplies as required and to have access to adequate schools and hospitals.

Here is what has happened to the highways system:

	Miles of Road April 1949	Dec. 1955
Asphaltic concrete	20	25
Bituminous emulsion	93	104
Gravel	1,623	2,307
Other gravel	442	448
	2,178	2,884

Baie Verte

An example of the type of undertaking the Government is pushing can be found in sections like Baie Verte, in the Northwest. When the Artic ice fills Notre Dame Bay in the winter, the community is isolated for as much as five months. Shipping must stop and without roads there is no means of obtaining supplies.

The plan is to link Baie Verte with the Trans-Canada Highway to the south. It is 18 miles from the community to another small town, Flatwater Pond, over a road built by Bowater Pulp and Paper Co. Another 26 miles of road to link this spot with the trans-island highway is being built by the Provincial Government with Bowater and Anglo-Newfoundland Development Co.

Eventually, it is proposed to link Baie Verte to La Scie to the east where the federal and provincial governments plan to establish a model community for the better development of the fishing community there. La Scie will some day be linked to Tilt Cove to the south.

By these feeder roads to various communities, supplies will move freely from one community to another and improve access to hospitals.

The cost of maintaining existing roads in the face of rapidly increasing traffic and the expansion of the road system has put a heavy financial burden on the Provincial Government at a time when it's spending heavily for education, health and welfare.

The problems of roadbuilding are many and varied. Newfoundland has one of the most rugged terrains in Canada—second only to British Columbia.

It was stripped bare by ancient glaciers. Deposits of gravel are rare and vegetation is meagre except in the river valleys. In these districts are abundant growths of spruce, fir,

(Continued on page 27)

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Trans-Canada Part Highway Program

(Continued from page 26)

birch and pine. Brooks and large rivers are numerous.

Only on rare occasions is moisture content below optimum in road construction. The greater proportion of materials available for grading is unsorted glacial drift containing high percentages of silt and boulders ranging in size from six inches in diameter to one cubic yard. This coupled with the high moisture content precludes the 6-in. or 1-ft. layer methods of embankment construction.

Another problem, shared with other provinces, is the difficulty of securing experienced highway engineers to cope with problems raised by the rapid development of the roads system.

Trans-Canada Highway

One of the major steps toward improving transportation in Newfoundland was taken on June 23, 1950, when an agreement was signed for the construction of a road to form part of the Trans-Canada Highway.

This was the outcome of a Dominion - Provincial Conference of Ministers and Highway officials.

The Newfoundland portion of the cross-Canada road starts at Port aux Basques, in the southwest, and ends at St. John's, in the eastern section of the island. Distance: 600 miles.

Under terms of the agreement with the Federal Government each pays 50%. Here are details:

The right-of-way for the highway shall be a minimum of 100 ft., but where it runs through densely populated areas and heavy expenditures would be involved in obtaining a right-of-way of this width, this may be reduced. Construction is to be of a very high standard, to be finished with the laying of a bituminous mineral-type pavement.

Along the route, 385 miles of road existed prior to the signing of the agreement. However, practically all this is much below the Trans-Canada standard and has to be improved.

The agreement was to end Dec. 9, 1956. Parliament, however, has authorized a new agreement extending the period to Dec. 31, 1960.

Canada will pay the province 50% of the cost plus another 40% for certain other portions. The agreement is contingent upon:

—A good highway, completed by 1960.

—During this period, the province maintaining outlays on the Trans-Canada excluding the 10% share on special sections, at least equal to the average for the two years 1954-55.

Box Score

Here is a box score on the project:

	Miles
Total	600
Surveys complete	268
Surveys to be made	332
Clearing complete	217
Clearing to be made	383
Grading complete	195
Grading to be done	405
Sub-base, graveling complete	Nil
Sub-base, graveling to be done	600
Paving complete	Nil
Paving to be done	600

Total cost	$90,000,000
Newfoundld. share	$41,400,000

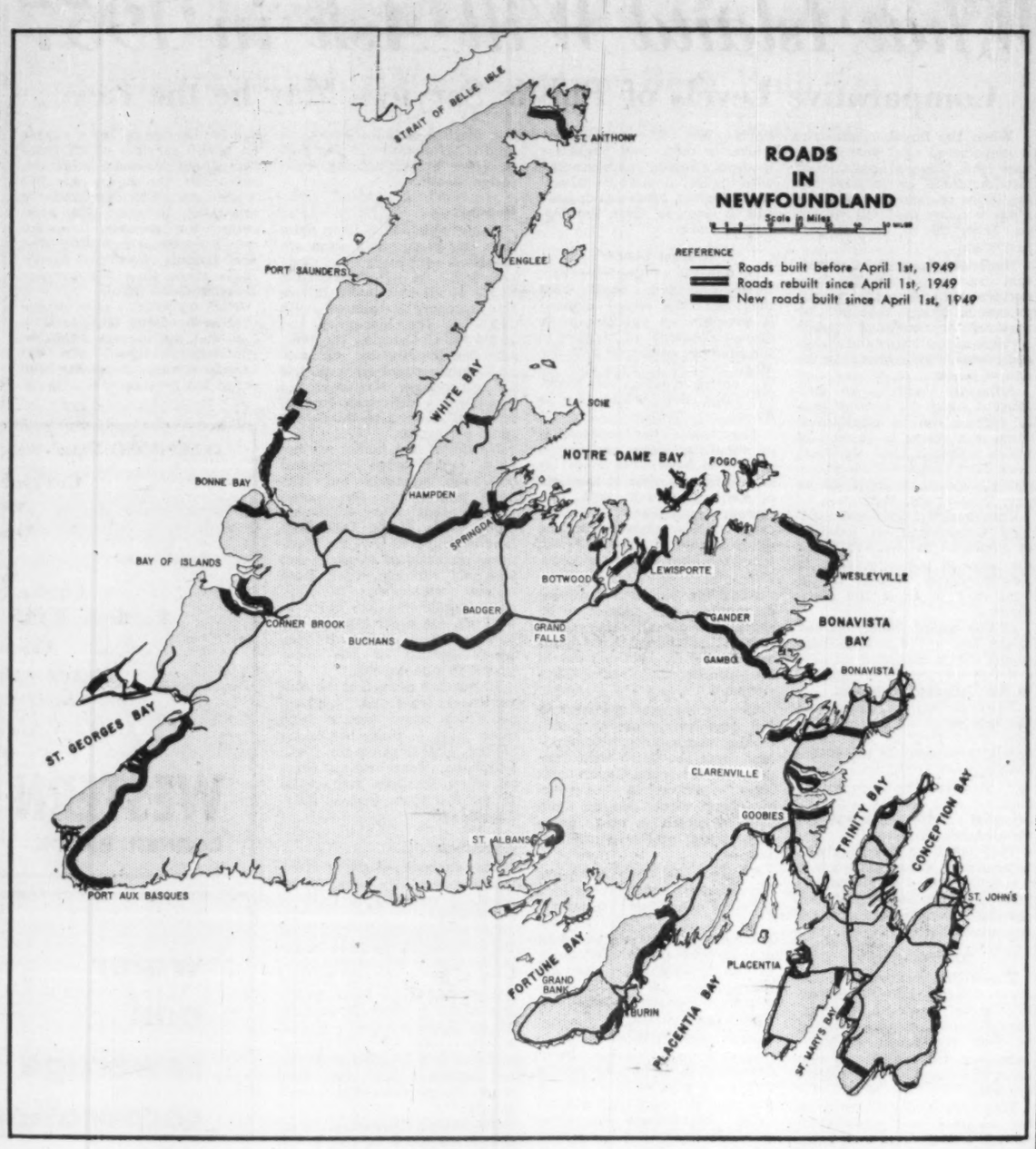
Annual Recurring Costs:

(a) Maintenance	$1,250,000
(b) Snow clearing	350,000
	$1,600,000

Newfoundland roadmaking has a patchwork history.

The earliest coach road was from St. John's to Portugal Cove in Conception Bay. It was opened to traffic in 1831. However, Baudoin, Chaplain with D'Iberville's forces in the raids on Newfoundland settlements in 1696, mentioned in his diary that the road through the woods from Hearts Content to Placentia was not quite as good as the road between Paris and Versailles!

Roads built prior to 1925 resulted from the efforts of local road boards and road commissioners. They received grants from the Government for construction and maintenance of roads within areas under their jurisdiction. However, in 1925, the Newfoundland Highroads Commission was established as a central authority to plan and carry out road construction and between 1925 and 1930 considerable progress was made.



By 1930, most communities on the Avalon Peninsula had been connected by road and partial systems of roads existed on the Bonavista and Burin Peninsulas, in the Grand Falls area, in the Corner Brook area, and in the Codroy Valley.

Depression slowed further progress until 1936 and 1937, when 30 miles of highway was constructed eastward from the paper-making centre of Corner Brook to the town of Deer Lake and 18 miles was constructed westward from the paper-making centre of Grand Falls to Badger.

These sections were considered to be future links in a transinsular road. They were 24 ft. wide and were constructed under engineering supervision as to alignment and grade. They were considered the best sections of highway in Newfoundland even though 10-degree curves and 10% grades were not uncommon.

All bridges were of reinforced concrete. These were constructed ahead of the grading operations as the sites were easily accessible from the railway line.

Concrete Bridges

The use of reinforced concrete bridges was introduced in Newfoundland early in the century and practically 100% of the highway bridges were constructed of this material. Unfortunately, most were designed for light loads and are inadequate for present-day requirements.

At the outbreak of the Second World War, plans aimed at a transinsular road, or even completion of a road connecting the towns of Grand Falls and Corner Brook, were abandoned and the roadbuilding machinery was put to work on construction of various roads to assist agricultural development.

Important in any report of roadbuilding in Newfoundland is an agreement made in 1947 between the Government and the two paper companies, Bowaters Newfoundland Pulp and Paper Mills Ltd., of Corner Brook, and the Anglo-Newfoundland Development Co. at Grand Falls.

Under this agreement the companies agreed to construct, with their own machinery, the 68 miles of road required to connect the road systems in their respective districts. The Government was to bear 50% of the cost and the companies 25% each but with the stipulation that each company's contribution be limited to a maximum of $3,000 per mile. Work began in 1947 under government engineering supervision, was completed in 1949.

MORE MOTORISTS

	1952	1955
Cars	15,936	27,474
Motor cycles		286
Commercial vehicles	7,354	12,006
Total	23,290	39,766
Drivers	30,470	45,096

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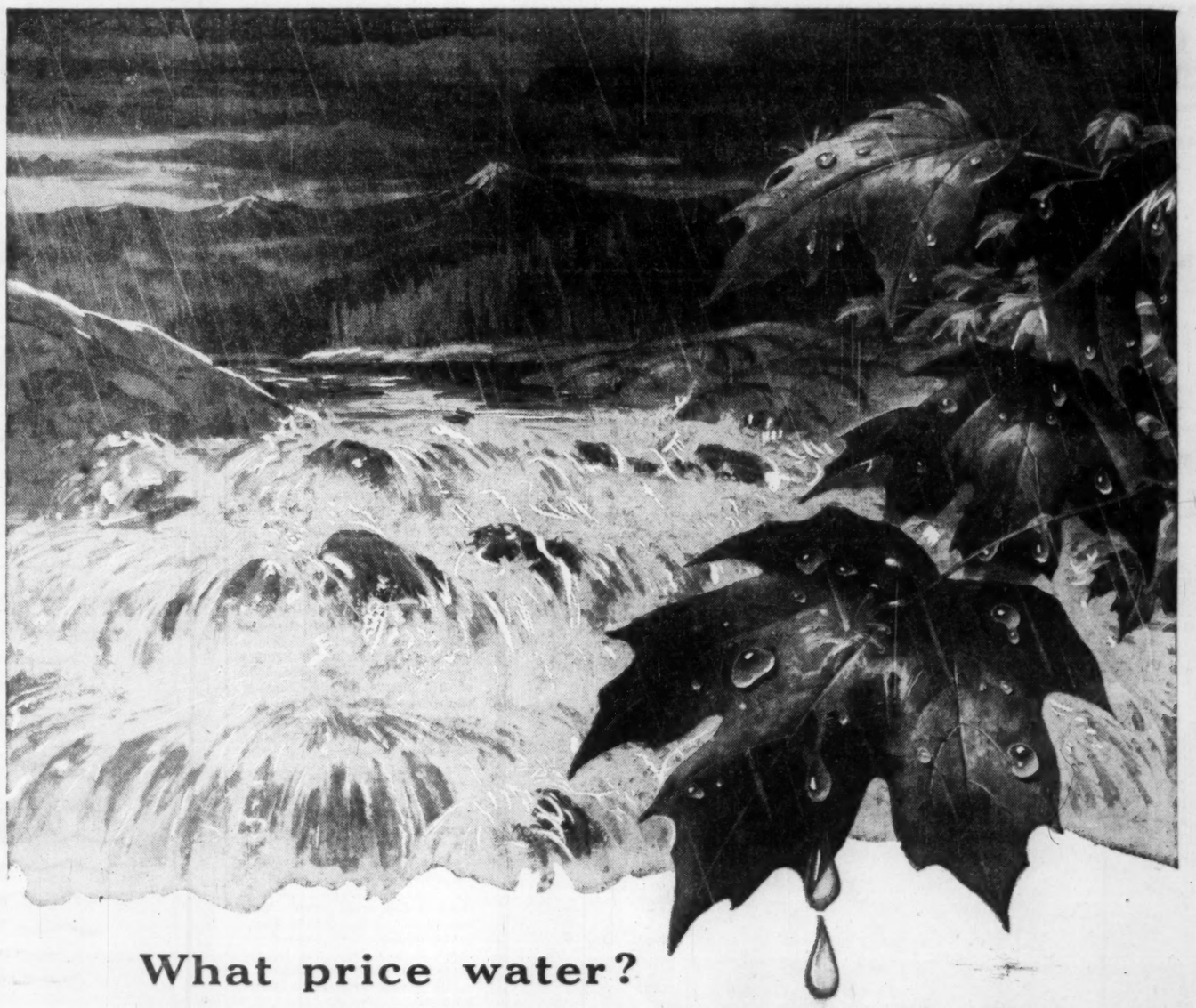

What price water?

Not a form of life or a phase of industry could exist without it. It is the most precious commodity on earth and one of Canada's many natural assets. Its importance is too often underestimated but to the paper maker water is the 'force of life.'

A 'river' virtually flows through the Bowater Mills at Corner Brook, Newfoundland. Every process from de-barking pulpwood, to the final operation of the paper-making machines involves the controlled use of water. Efficiency of operation and the quality of production are absolutely dependent upon it.

The careful regulation of water run-off by control dams and the construction of the lake reservoirs enables the Bowater Power Company to produce over half the electrical energy generated in Newfoundland. The Deer Lake generating station provides power, not only for the giant Bowater Mills at Corner Brook, but also for the city of Corner Brook itself, and other towns and industries in the western half of the Province. To meet the area's increasing demands for power, Bowaters are building a new hydro-electric plant on the Corner Brook river.

The newsprint from Newfoundland that rolls through the presses of so many newspapers around the world had its birthplace in the remote watersheds of the island province. Newfoundland's network of rivers and streams are the efficient highways of pulpwood and the cheapest source of power. Bowaters' do not underestimate the value of this precious natural resource.

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What Island Will Ask in 1957

Comparative Levels of Public Services May be the Key

When the Royal Commission is empowered next year to review the financial position of Newfoundland as required by the terms of Confederation, the hinge to a new deal will revolve on Term 29 of the original agreement.

Under this term, the Commission can recommend the form and scale of additional financial assistance, if any, that may be required to continue public services at the levels and standard reached "subsequent" to the date of union.

Although there is no date fixed at which the level of public service can be established, there is a clause in Section 29 which makes it clear that taxation can't be more burdensome, having regard to capacity to pay, than in the Maritimes.

Consequently, the Newfoundland Commission on Revision of Financial Terms will argue the level of public services in Newfoundland should be at least as high as in the Maritimes.

In this regard, Newfoundland might turn to the Rowell-Sirois report which suggested all government services be brought up to the Canadian standard.

Newfoundlanders claim that the late entry of the province into Confederation has posed special problems for the future development of the area. They say Newfoundland joined a country with a high standard of social service and a well-developed industrial area.

They point out Newfoundland entered into a Confederation in which the policy of the federal authority was radically different from the intentions of the federal authority in 1867.

The Difference

The difference: in 1867, the areas entering into Confederation were promised and expected economic development. In 1949, the people of Newfoundland were promised and given social service and welfare benefits.

They argue development of the resources and potential of Canada was the first and major task of the Federal Government in 1867. This task included large amounts of direct and indirect financial assistance to private interests.

They point out defense expenditures now claim much of the revenue which could otherwise be used for development and was so used in the past. They say the important change in attitude and practice on the part of the Federal Government cannot be overemphasized and all peripheral and underdeveloped areas in Canada must face up to this.

The abilities of local administrations to provide services depends upon the successful development of local resources. And, they say, the federal authorities have stopped assisting and carrying out development on any large scale at a time when many areas are still without the necessary plant and facilities to stimulate private development.

The relative overemphasis of defense at the present time, they claim, only hides a far-reaching change that has been going on for nearly 40 years.

Excessive development in certain areas took place before World War I, development which is only now beginning to show a return commensurate with the initial costs. Peripheral areas, on the other hand, have still to provide these developmental works.

"Escape Clause"

In term 29 of Confederation, Newfoundlanders have what they call "the escape clause." It provides an opportunity to discuss standards of services in the province compared with the Maritimes and perhaps open up the entire question of terms. Certainly, they would like to do so.

They argue Newfoundland is in about the same position in regard to local government as the Maritimes were at the time of Confederation in 1867. The reasons: the nature of the economy, the low personal income which cannot provide sufficient taxes for local works and services.

Since the standard of service on the island is claimed to be sharply below all other provinces, Newfoundlanders maintain further financial aid should be given by the Federal Government.

Despite the great progress in the organization of the municipal government in Newfoundland since the union with Canada, the Provincial Government must continue to assist in financing local projects and services which in other provinces are a local responsibility, they say.

To meet the bright prospects for economic development in a province which has rich natural resources, it is believed the Federal Government must help overcome the present deficiency in "social capital." These are prerequisites to providing an economic climate in which industry can flourish.

Realization of these economic prospects will enable Newfoundland to support its rapidly increasing population and raise the standard of living and income. The ultimate aim: financial independence.

Not Whining

When Newfoundlanders list their financial woes, they aren't seeking sympathy or whining to Ottawa.

"Before anyone tries to make us second-class citizens," Premier Smallwood told the Gordon Commission, "we'll leave Canada."

What they want is help now to meet the needs of a growing economy and fulfill what they consider their vast economic destiny. They'll quickly marshal statistical support for their case.

The absolute difference in per capita income between Newfoundland and the Maritimes as a group ranges between $174 (1950) and $207 (1954). For the years 1949 and 1952, personal income per capita in Newfoundland has been 30% lower than the corresponding income in the Maritimes.

The absolute difference in per capita income between Newfoundland and the national average ranges between a low of $471 in 1950 and a high of $596 in 1953. In relative terms, the Canadian income per capita averages nearly double the comparable Newfoundland income.

During 1950-51, a sickness survey was conducted by the Health and Welfare Division of the Dominion Bureau of Statistics which appears to corroborate findings that Newfoundland's income is substantially below other provinces in Canada.

An estimate of family income was made which showed 55% of all Newfoundland families had incomes below $1,500 annually compared with 47% in the Maritimes and only 29% for Canada as a whole.

Tax Statistics

Income tax statistics provide another check on comparative incomes in Newfoundland with the Maritimes. In 1951, the Newfoundland labor force totaled 106,540 but only 25,850 or less than one in four workers reached the level where they had to pay taxes. In the Maritimes, 423,969 people formed the labor force in 1951, and 142,000 or one in three paid taxes.

The conclusions from these figures:

Newfoundland's standard of money income is appreciably lower than that of the Maritimes, lower still than the Canadian standard whether consideration is given to per capita income, family income or income of the male heads of families.

The indirect evidence to support claims that even a 40% differential between incomes in the Maritimes and Newfoundland is conservative is classified in these heads: housing, education, health.

Housing:

Households which have more than one person to a room are described generally as overcrowded. In Newfoundland, 32.5% of all households fall in this category compared with 19.3% in the Maritimes and 18.8% for all Canada. The average Newfoundlander occupies 1.11 rooms compared with 1.43 for the average Maritimer and Canadian, a difference in real terms of about one third of a room per capita.

Newfoundland homes are not only overcrowded compared with the mainland but they have not nearly the conveniences that other Canadian homes enjoy. When Newfoundland is compared with the Maritimes on basis of furnaces, hot and cold running water, flush toilets, telephones, vacuums, etc., mainlanders are twice as well off. On a per capita basis, Newfoundland comes off even worse because it has more people to a household.

In the case of each of the conveniences listed per 1,000 of population there are at least three times as many per capita in the Maritimes as in Newfoundland. There are six times as many furnaces per capita in the Maritimes than in Newfoundland.

Education:

The struggle of many Newfoundlanders, like other Canadians, is reflected in level of education.

In Newfoundland, 21.5% of the children of the 15-to-24 age group attend school compared with 24.1% in Prince Edward Island, 25.6% in Nova Scotia and 23.6% in New Brunswick. These figures were compiled only two years after Confederation but it is considered doubtful whether there has been much change since that time.

Health:

When real standard of living is low, statistics on health and nutrition will reflect this condition, it is claimed. When real consumption is low, it is said, a higher death rate from certain causes is expected, partly because malnutrition lowers resistance to disease, partly because of crowded living conditions without sanitation, and partly because many people cannot afford proper medical attention.

Here is the statistical record:

The 1950-51 Canadian Sickness Survey indicates the average family spends $82 per year on health services of all types throughout Canada. In the Maritimes, the figure was $72 while in Newfoundland it amounted to only $28 indicating the average Canadian family spends almost 300% and the average Maritime family 250% more than the average Newfoundland family.

The suggestion: the income of Newfoundland families is so low that health care might be considered a luxury and real income in the province has been set at too conservative a figure.

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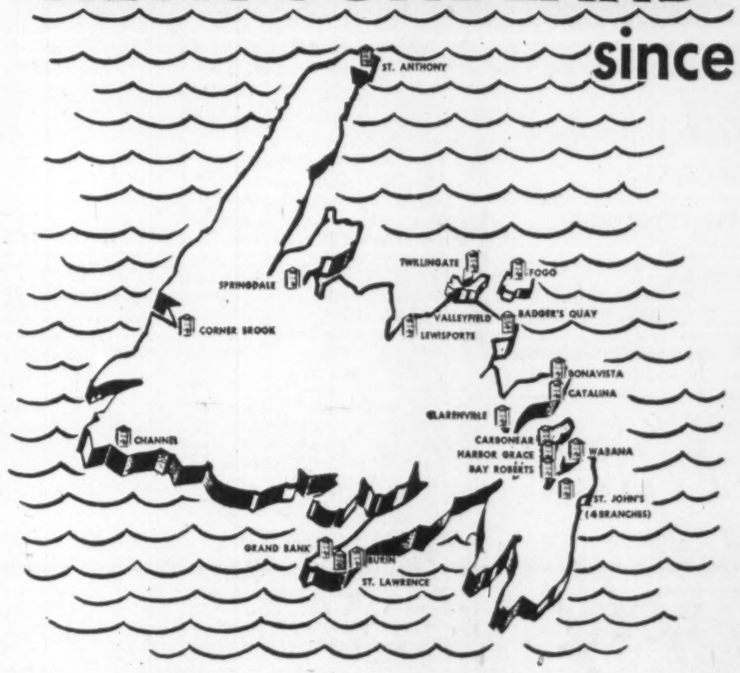

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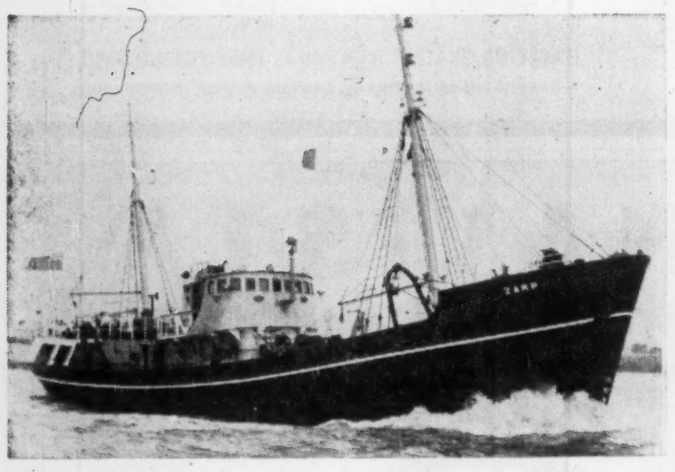

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How Agriculture Is Paying Off

• More Profitable Markets Have Been Built Up
• Poultry Brightest Spot In Livestock Business

The most significant development in agriculture in recent years is the changeover from supplementary agriculture to full-time, commercial farming.

High rates of employment and wages over the past 15 years have caused a large number of families who produced their own vegetables and raised a little livestock to abandon such activities entirely.

These same circumstances have been responsible for the increase in commercial agriculture—they have built up more remunerative markets. Such farms increased steadily for the past 10 years, both in number and size.

Centralization and expansion of mink farming, the reclamation of boglands and improvement of native pasture have all been important developments in the past year in the island province.

These are the direct results of the implementation of recommendations of the Royal Commission on Agriculture tabled April 14, 1955. The operation of the Farm Loan Board in providing funds for capital investment in farm development has assisted in the expansion of agriculture.

The Board has provided funds for clearing land, purchase of livestock and farm implements and, in mink ranching, for the building of sheds. The funds are in the form of medium-term loans.

Expansion which has taken place in the agricultural industry over the past five years continued during 1955.

Total annual output of the farming industry showed a marked expansion in commercial farming activity, a decline in supplementary farming. Large areas of new land have been brought into production under the policy of assisting farmers to increase their acreage of cultivated land.

This has resulted in a considerable expansion in acreage sown to hay and pasture, and an increase in the numbers of livestock, particularly sheep and beef cattle. The poultry industry has made rapid advances during the past year and both the number of operators and the size of flocks have increased.

Root Crops

Production of root crops remained at about the same level as 1954.

Favorable marketing conditions during the fall of 1954 influenced many farmers to increase output of root crops in 1955. This was particularly evident in regard cabbage. Plantings of potatoes, turnips and other crops, however, were about the same as in 1954.

Unfavorable weather conditions during the spring delayed planting from two to three weeks and had the effect of reducing crop acreages. Although excellent growing weather prevailed during midsummer and early fall, crop yields were below average. This was particularly so with potatoes and turnips.

It's felt that heavy rains during the late spring and early summer seriously reduced the available plant food when much of the fertilizer leached away. While production of carrots, beets and parsnips remained at about 1954 levels, there was a particularly heavy yield in both early and late cabbage.

As a result of a poor hay crop in 1954, the number of farm animals wintered was considerably less than in the previous season. Although pasture conditions during 1954 gave promise of being good, cattle coming off native pasture areas in late fall were not in a thrifty condition. This, together with the hay of poor quality seriously affected the health of the livestock.

Disease and internal parasites took heavy toll. Sheep farmers lost many ewes and some lambs. Cattle, however, fared better and losses were smaller.

In the summer of 1955, hay was abundant and of good quality.

Brightest Spot

Poultry farming is now the brightest spot in the livestock industry. With a good market and good prices, poultry farming has expanded rapidly over the past year. The industry has spread into almost all parts of the province.

The Federal Maritime Freight Assistance policy is a major contributing factor in the success of this development. With benefit of this policy, Newfoundland's poultrymen can obtain feed at almost the same price as producers in the Maritimes.

Over the past years, Newfoundland's poultrymen have replaced their flocks mainly by bringing in five-months'-old birds from mainland sources. This is undoubtedly a more expensive method of flock replacement. During the past year, a greater number of poultrymen have bought day-old chicks and had much success with them. It has been found to be a much less expensive method for flock replacement. A local hatchery has been brought into operation in the past year.

It can supply only a small part of the annual requirements for chicks but it is a factor of importance in the industry and one which is filling the needs of many producers.

Sheep Raising

Over the past five years a vigorous assistance policy has increased the number of sheep and improved their quality.

Through government assistance, many of the sheep raisers are using rams of good quality on their local flocks and, again under government assistance, the best lambs are being selected for foundation and breeding stock.

The greatest expansion has come from increases in small flocks but a few farmers have shown interest in developing large flocks as a full-time project. During the past year, under the sheep and ewe grading policy, some 22 sheep fairs were held.

For many years there has been a limited amount of beef production in Newfoundland. This has mainly been confined to the west coast areas and certain sections of the Avalon Peninsula. During the past three years, farmers in other parts of the island have become interested. Many producers have brought in considerable numbers of grassers (young steers and heifers) from the Maritime Provinces to pasture and feed over winter.

To assist farmers in using good quality breeding stock, a bonus plan has been operating for many years to absorb a part of the cost of approved animals. Assistance was given in purchase of 219 animals, including bulls, rams, mink and purebred cows, last year. Sheep breeders were supplied 800 tins of tick powder and 7,000 phenthiazine tablets for control of internal and external parasites.

Negotiations have been completed with the Codroy Valley Co-operative Society for the building of a small cold storage plant to assist farmers of the area in the marketing of their livestock and livestock products.

This plant will be built in 1956 with assistance from the Federal Government under the Canada Cold Storage Act. The remaining two thirds of the cost will be shared equally between the farmers of the area and the Newfoundland Government.

Completion of the cold storage together with a modern slaughterhouse will be of value to the farmers in the marketing of their livestock. It will allow better distribution of farm products from the area and permit farmers to slaughter livestock when ready and hold them for a favorable market.

Marketing

Heavy crop production on the mainland reduced prices generally for farm products. This situation influenced prices for vegetables in Newfoundland and even though the local crops of potatoes and turnips were light, prices were lower than in 1954.

There was, however, good demand for locally produced vegetables and no difficulty was experienced in disposing of the crops. Local cabbage production was heavy, particularly with the early variety, and prices fell rapidly toward the end of the marketing season. Late cabbage sold well and at good prices. Potatoes continue to sell at premium prices on all local markets.

There has been a marked improvement in the quality of Newfoundland farm products during the past few years. This has been brought about by the desire of farmers to compete in quality with mainland produce and by the inspection service provided by the Government under the Vegetable Grading Act.

Farmers, however, have been slow to follow the modern trend of prepackaging vegetables for the self-service grocery trade. It's felt that additional returns to producers from this system of marketing will speed its adoption.

There has been considerable improvement in the market for local beef this year and producers have had very little difficulty in selling their production at fair prices. This is mainly because of an increasing consumer preference for chilled and frozen beef and a better product by farmers who are wintering large numbers of their young stock and raising them to maturity.

Some difficulty has been experienced by sheep farmers in disposal of lambs. Prices, except during the early part of the season, have been low.

This situation is the result of improper methods of distribution and sales, rather than overproduction.

The general effort to dispose of all production in August and September creates temporary oversupply for a limited market. This seriously reduces prices. It is felt that the cold storage of lamb carcasses for a few weeks would maintain prices.

Labor Problem

Labor has been a problem with many farmers in Newfoundland during recent years.

This is particularly so for farmers located where there is competition with industry for available labor. Not only are wages high but the quality of casual labor is often poor. This, together with a rapid labor turnover, has been a factor of importance in the recent mechanization of many farms. A great increase in the number of farm tractors is said particularly noticeable.

Under the Land Development Policy, government tractors are made available to farmers at a low rate of hire for clearing new land and general improvements.

During 1955, some 13 heavy tractors were in operation under this program and active in almost all important agricultural areas of the province. A total of 900 acres of new land was cleared and many improvements made to existing farms including the building of farm roads, improvement of old fields, drainage of wet land and preparation of farm building sites. The demand for this equipment is steadily increasing.

Fruit Farming

Over the past few years, the Government has been greatly interested in the development of small fruit and has, from time to time, imported and distributed quantities of foundation stock.

These include strawberry plants, apple, pear and plum trees, raspberry canes, gooseberry and currant bushes. Both soil and climatic conditions in certain parts of the province are well-suited to production of these fruits. It's hoped to encourage farmers to supplement their incomes with fruit growing.

Some 14,000 strawberry plants and 600 fruit bushes and trees were distributed in the province in 1955.

For the the past four years the blueberry industry has been actively promoted. Large areas of blueberry land have been burned over and many by-roads and trails leading to these areas improved. Due to unfavorable weather in spring of 1955 only 2,600 areas were burned over compared with 20,000 in 1954.

Crop was below average this year and 10 days late ripening. The large carryover in stocks from the 1954 crop in the U. S. created unfavorable marketing conditions. This reduced the price and, as a result, the total harvest fell considerably below the average of the last three years. Blueberries exported in 1955 amounted to 482,095 pounds.

Fur Farming

For the past 15 years, efforts have been made to raise mink in Newfoundland. It is felt that with suitable climatic conditions, ample water, well-sheltered land for ranch development purposes, and with relatively cheap and abundant sources of fish and whale meat there should be a thriving mink industry. However, because of such factors as isolation, insufficient capital, lack of knowledge and experience, undependable feed supplies and poor quality stock, the earlier effort was not as successful as had been hoped.

In 1954 a completely new approach to the raising of mink was introduced. It was felt that only through the centralization of the industry and by providing adequate services could mink ranching become successful. The Dildo area of Trinity Bay, where both whale meat and fish could be obtained in comparatively large quantities, was selected as a location.

As a basis for the development, it was felt that a nucleus of mainland ranchers with high quality stock should be invited to establish ranches in the area. Consequently, in 1955 some 11 mainland ranchers with 4,200 female mink as foundation stock moved to Dildo.

Since the time when the first ranchers moved to the area in December, 1954, development of the industry has been rapid.

The co-operative society formed by the ranchers has completed the main part of the construction of a large cold storage unit for use in the freezing and storage of whale meat and fish to be used as mink food.

Some 12,000 kits were born in the area in the spring of 1955 and raised to maturity on a diet in which whale meat and fish formed the principal ingredients.

Under a training program, some 25 Newfoundlanders were apprenticed to established ranches in the area. These young men, who are interested in establishing ranches of their own, are being given a two-year course which, in addition to the practical work of everyday ranching, will also take in a course of study to be given during the winter months.

Mink Show

In November, 1955, the first live mink show was held at Whitbourne and attended by representatives of three mainland fur auction companies who judged the mink which had been raised in the area during the past summer. There was every indication at that time that the animals had grown well on Newfoundland whale meat and fish.

Approximately 6,000 animals were pelted in late December and shipped to the Canadian and American markets. Reports from buyers indicated that the fur was of good quality. This success has aroused a great deal of interest in mink farming in the area generally and already two local ranchers have transferred their stock and equipment to the area and some 25 residents of Trinity South district have acquired mink.

Under the Farm Development Loan Act, the Farm Loan Board was authorized to assist farmers with funds for capital investment for development and expansion of farms. The Board can make loans for purchase of land, improvement and development of land, purchase of livestock, purchase of farm equipment, construction of sheds for fur farming.

Up to March, 1955, the Board made a total of 104 loans. Loans are secured by mortgages on land and equipment, although in a few cases chattel mortgages are held on livestock. For the main part, loans are amortized over a five-year period and interest is payable at 3½%.

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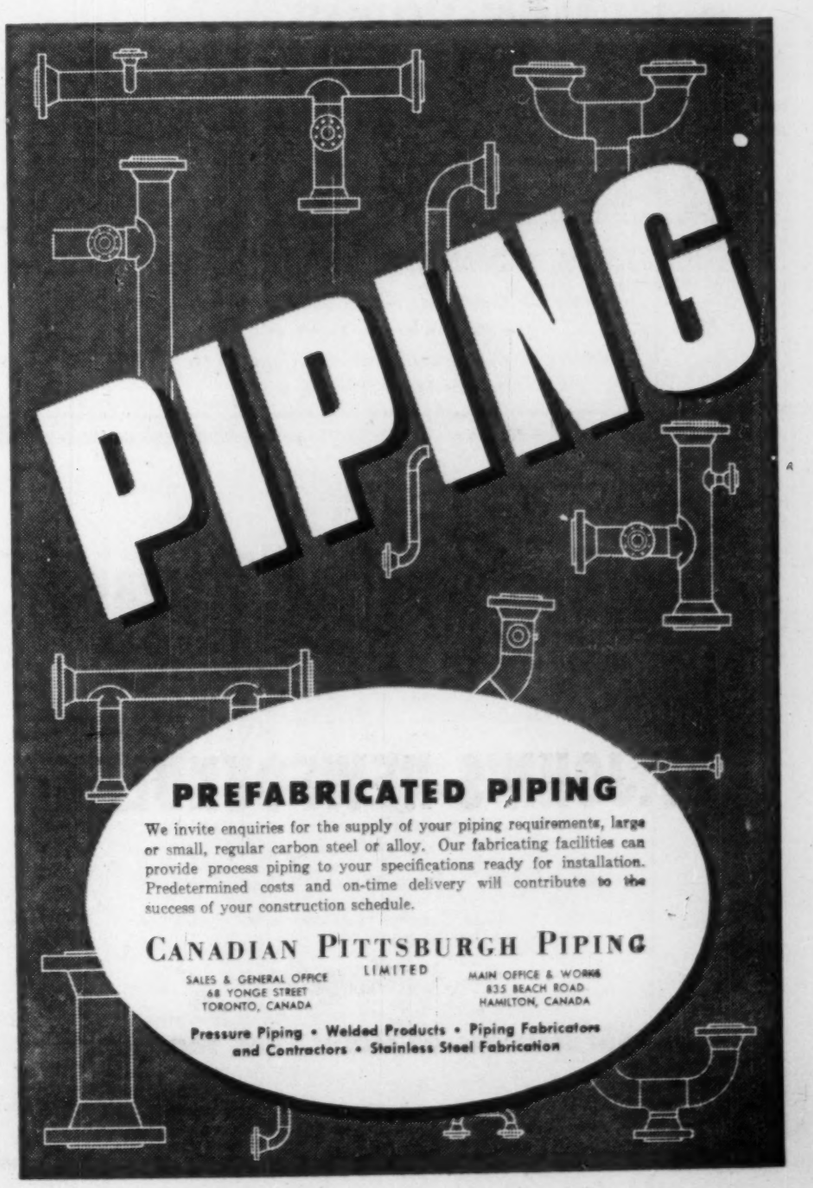

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White Water: Future's Power

How Potential May Be Developed To Meet Growing Demand

With the growing demand for power in homes and industry, Newfoundland's water power potential assumes added importance.

At the end of 1955, installed generating capacity in Newfoundland amounted to some 325,000 hp.

This consisted of about 129,000 hp. in plants which generated power for sale and another 182,000 hp. in plants installed by pulp and paper companies for their own use. The remainder was water-power installations of the mining companies.

In 25 years, it is estimated there will be a further 400,000 hp. which will have to be tapped and this could be higher depending on whether a smelter is established.

The pulp and paper companies will require an estimated 20% more power or about 40,000 hp. above present needs. The mining industry appears headed for a substantial increase from the present 14,000 hp. because of the possibility of new miner being opened.

It is estimated power consumption by 1980 will be about one billion kwh., or almost four times the generation of central electric stations today.

Where will the new power come from?

Newfoundland has a minimum of 600,000 hp. known to date undeveloped on the island. It is limited by absence of high mountains, large waterfalls and long rivers in establishing very large hydro-electric stations but this limitation is compensated in part by heavy and frequent rainfall and the large lake surface which produce a steady run-off in the rivers and brooks.

Here are possible areas:

Northeast Section

In the northeastern section, there is considerable amount of undeveloped power on the Gander, Exploits and Terra Nova Rivers. It seems probable a large part of the mining development and some of the expansion in the fish-processing industry will take place in that sector.

Greatest potential exists on the south coast in the Baie d'Espoir area where surveys indicate a capacity of 280,000 hp. Surveys on the Bay du Nord River nearby estimate another 50,000 hp. could be developed along the river.

On the south coast there are also the White Bear and Long Harbor Rivers where surveys have not been made to determine if sites are available but which seem likely to have considerable power potential.

In the northeastern sector, it is estimated the Terra Nova River could be developed to an installed capacity of 82,000 hp. and Gander about 36,000 hp. Surveys are being conducted on the Exploits River and it is estimated a total of some 138,000 hp. could be developed at four sites on which 86,500 hp. is already developed. Although there is another 156,000 hp. which is theoretically available on the rest of the river there are no known sites.

On the nearby Victoria system, which might be linked with plants on the Exploits, another 12,200 hp. is available if suitable sites can be found. There is a total of about 180,000 hp. potential on good-sized rivers in the northeastern section of the province excluding power which is theoretically available on the Exploits.

Deer Lake

It is considered possible a small amount of power might be developed from little streams and lakes feeding into Deer Lake which have not already been developed by Bowater. It was indicated on five small sites that available 24-hr. power at 80% efficiency amounts to some 36,000 hp. and since exc ss capacity of about 30% is normally installed at developed sites, this would suggest a potential installed capacity of some 45,000-50,000 hp.

Little hydro potential remains on or near the Avalon Peninsula. Stream flow data for the last three years would indicate a potential of about 25,000 hp. Another small development on the peninsula, the North River with the Rock River diversion, has been suggested as being capable of supporting an installation of 7,000 hp.

There are also a number of large streams scattered over the island which would be capable of supporting installations of 1,000 to 2,000 or perhaps 3,000 hp.

If a new paper mill was established in the northern area it would lead to development of much of the available power. However, if a mill was located on the Baie d'Espoir area, where there is not only adequate power but also a year-round port, it should lead to exploitation of the very large power potential which exists there, even if a smelter is not built. Both sites have been suggested.

Here is how prospective demand for power shapes up:

The water-power rights on the island and Labrador, except those already held by the pulp and paper companies, have been granted to a single company — the British Newfoundland Corp., which likely will develop and sell the power through a subsidiary company.

It is conservatively estimated that by 1980 power consumption by large users will be 2½ or 3 times the present level even if no great industrial expansion takes place other than in the mining and fishing industries.

Largest single consumer of power in Newfoundland is "large power" even excluding the pulp and paper mills which generate exclusively for their own use. Between 1950 and 1953 inclusive this group doubled consumption from about 53.4 million kwh. to 104.6 million kwh. out of a total consumption of 251.4 million.

More Expansion

It is considered unwarranted to predict continuation of doubling about every four years. For one thing, power would not be available. It is anticipated a further expansion will take place in power-consuming industries.

It is estimated power demand in the fishing industry will increase by more than four or five times in the next 25 years and the power demand in mining will double. Although present per capita consumption of electricity in Newfoundland is below that of any other province in Canada, except Prince Edward Island, a rapid rise in consumption is predicted.

Assuming a population of about 680,000 in Newfoundland by 1980, with no change in consumption per customer, and no increase in relative number of customers, increase in population alone would increase domestic consumption from 71,977,000 kwh. in 1953 to about 128,000,000 kwh. in 1980.

By 1980, however, percentage of population serviced with electricity will undoubtedly be higher. It is estimated there will be a further increase in domestic consumption of 75% bringing total estimated domestic consumption by 1980 to about 448 million kwh., more than a six-fold increase over present level.

Consumption of power for commercial lighting will be somewhat less spectacular than for domestic use in the future but it will be quite significant. Consumption of electricity by commercial users increased about 31% from 1950 to 1953, whereas domestic consumption in the same period increased about 80%. Since the same factors will affect future increases, it is expected that if domestic consumption increases by 600%, consumption by commercial users will rise about 250%. This figure may be low.

There is at least 600,000 hp. which could be developed on the island but this is considered conservative because further data may disclose up to 300,000 hp. additional may be available. But the big prize in the power picture looks to be in Labrador at Grand Falls on the Hamilton River.

In the Grand Falls area, surveys indicate a continuous output of three million hp. can be assured. It is anticipated an installation of not less than five million hp. would be justified. Below the discharge of the projected plant at Grand Falls is available an additional potential of two million hp. in the Hamilton River.

Grand Falls is considered to lend itself to development in the easy stages and after initial work is completed cost it is said would be exceedingly low. The project is considered sound, practical and economical. The big question mark is who will purchase the power. Observers wonder if it will be tapped for a major aluminum industry or perhaps for possibly a smelter.

There are other if less spectacular possibilities for power development in Labrador. For example, the Iron Ore Co. recently installed their 12,000-hp. unit on Menihke Rapids of the Ashuanita River with provisions for a second unit when needed.

Power Firms Report on '55

Here are some of the highlights of expansion of power producers last year:

Newfoundland Light & Power Co.: a new 10,000-kw. oil-fired steam unit was ready for commission at St. John's this year. Tenders were out for another 20,000-kw. unit which is expected to be operating in 1959. The first unit is expected to handle demand until the time the second unit is operative. Construction on the latter is expected to start at the end of next year. These units are the first of three in the St. John's steam plant to have an ultimate capacity of 50,000 kw.

In the past 15 years, total load has grown from 33 million kwh. to 46 million kwh. In the past five years, domestic load has grown by 27 million kwh. Here's how fast the total production has been growing: in 1951, up 22%; 1952, 18%; 1953, 24%; 1954, 16%; 1955, 7% and estimates for 1956 are for an 18% increase. In the four years from 1951 to 1954, the increase amounted to 110%.

This year the company is starting on a five-year program of converting the operation of all substations, switching stations and generating plants to remote control system to operate from a new load centre in St. John's. At present the Mobile plant is being remote-controlled from Tor's Cove.

In 1954, a start was begun on converting all the main transmission lines from 33 kv. to 66 kv. and all the new 33-kv. lines are being insulated for 66 kv. to allow for future changes. Oil circuit breakers have been installed on all high-voltage transmission lines, and several new transformers installed where necessary.

With the increasing load at the Bell Island Irbn Mine it was necessary in 1955 to install a new 33-kv. submarine cable to Bell Island and rebuild the sub-stations at Broad Cove and Bell Island.

Newfoundland Light's growth is the story of a street-car system, originating in 1896, started in a town in which another company served about 400 or 500 lighting customers.

It gradually evolved into an electric utility serving about 15,000 customers in St. John's, 6,000 in Corner Brook and soon further growth is contemplated.

United Towns Electric Co. with subsidiaries had 24,185 customers at the end of 1955, an increase of 1,752 from the same time the previous year. Output in kwh. increase from 57 million to 63 million.

Due chiefly to poor weather conditions, the Manuel's River Dam and Canal was not completed in 1955 but will be finished this year. The additional water because of the diversion, will enable plant to operate 24 hrs. per day compared with an average eight-hour day previously. It is anticipated this will add an additional five million kwh.

At New Chelsea, in Trinity Bay, the next complete installation will come into being about this November. It will consist of a two-stage program —the first of which will consist of 6,000 hp. on which work started last August.

Final plans have not been completed for the supplementary 600 hp. but it may begin early next year. Company estimates average annual increase in customers amounts to about 5% and average annual increase in kwh. amounts to 10% to 15% per year.

The output of the New Chelsea plant is virtually sold out already and it won't be until fall when it is in operation.

A survey team is studying potential at Black River at the mouth of Placentia Bay where it is thought there is about 10,000 hp. The problem is to bring it to customers in Burin Peninsula. It will involve transmission about 80 miles and consequently high cost.

In Burin Peninsula, a diesel standby unit was completed last year to help out in dry spells and to service Grand Bank area.

West Coast Power Co., a subsidiary of United Towns, had 3,236 customers at the end of the year, 476 higher than at the same time the previous year. At St. George's, it has installed capacity of 4,800 hp. There are immediate plans of installing an additional 4,000-hp. unit to replace the present two units of 2,400 hp. each.

The reason: when there is excess water it will be able to operate the 4,000-hp. unit and also with one of the old units to increase capacity to 6,400 hp. with the same amount of water. This will provide only temporary relief and as a result survey teams are studying the possibility of a completely new development.

In 1955, company generated 18,230,000 kwh. up 9% from the 16.8 million kwh. the previous year.

Wabana Light & Power Co. had 1,899 customers at the end of 1955, up 118 from the previous year. It is also a subsidiary of United Towns. It supplies the mining population of Bell Island.

Bowater Power Co. will construct a 12,000-hp. plant in two units under 565-ft. head on Corner Brook River near Corner Brook.

Anglo-Newfoundland Development Co. increased capacity of its plant at Grand Falls on the Exploits River by 4,000 hp. by replacement of runners. Total capacity is now 64,000 hp.

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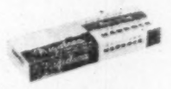

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In employment, production and value of exports Newfoundland's pulp and paper industry plays a vital role in the economy.

For the future the economic barometer points to greater mill capacity, increased output, and greater dollar return. The industry's importance can be measured by the income it provides for the thousands of men employed to fell, saw, skid and move the rich pulpwood harvest and the dollar return from the finished product.

Its effect is felt in other industries because of the food and equipment needed for these workers.

For example, take the case of Bowater's Newfoundland Pulp and Paper Mills Ltd. Its annual purchases within the province amount to $2 million with a further $5 million purchased in other parts of Canada. It employs 2,700 men in the woods and 2,300 in other operations.

Bowater's wage bill for woods operations alone amounts to $10 million annually and an additional $8 million for other operations. Total annual value of company's exports amounts to a healthy $41 million including exports (f.o.b.) of newsprint paper totaling $33 million, pulp sales, $5 million and pulpwood, $3 million.

Anglo-Newfoundland Development Co. has a year-round payroll of 5,000 employees and an additional 6,000 to 7,000 part-time workers. The annual wage bill amounts to about $16 million. Company newsprint production last year hit a record 232,000 tons with a value of about $26.2 million compared with 222,136 tons in 1954 valued at $24.9 million. Estimated output of newsprint this year by the company is 244,900 tons valued at more than $29 million.

The Future

For the future, brighter prospects appear to be assured. Companies have announced major multi-million-dollar expansion programs which will increase production. At present, the new increases are based on speedup of existing machines.

The general philosophy: no modern newsprint mill can be static and the expansion of output is considered normal to continuing progress.

What does the future hold?

The Royal Commission on Forestry last year found there was clear indication that the forests of the island cannot permanently support any very considerable industrial expansion beyond present company announcements.

The close balance between growth rate and estimated annual demand at first appears to discourage future expansion of the pulp and paper industry. However, it recommended a third paper mill be established with a capacity for processing 200,000 cords of pulpwood a year, or a capacity of 450 to 500 tons per day.

The reasons it backed a third mill:

—There is an abnormally high percentage of the present forest which is mature or over-mature.

—Annual export of nearly 100,000 cords by Bowater is expected to cease after 1990.

—There are very large reserves of timber estimated at nearly 50 million cords in Labrador.

Since the overmature timber stands are more vulnerable to insect and fire, the commission recommended an attempt be made to cut these stands within the next 35 years. Such a program, it said, would make available a surplus of about 200,000 cords per year.

This amount, coupled with the additional 100,000 cords per year when Bowaters ends exports of pulpwood at the end of 35 years and added to the estimated surplus of growth over estimated demand, would give Newfoundland an annual surplus of 160,000 cords.

Labrador The Key

"The long term key to an expanded pulp and paper industry on the island is intimately bound up in the nature and extent of pulpwood availabilities from Labrador," the Commission reported. "This should be the cardinal point in all future planning."

The Commission's recommendation of a third mill in part is predicted on utilization of Labrador timber. This involves high cost of transportation and the question is whether it would be economic to develop on this basis.

Anglo-Newfoundland has experimented with such timber and finds it good for newsprint production. But large scale utilization probably depends on greater accessibility to the vast hinterland. If this happens, it is conceivable a third mill might be developed in Labrador. The transportation problem may not be overcome to development of such a mill on the mainland.

Another problem concerns the 100,000 cords which Bowater is expected to stop exporting by 1990. If development of a third mill is contingent upon obtaining such a supply, it will be some 35 years before it could be started for the envisaged scale of production.

There is also the question of joint development of a mill by the two companies. This is a plan which the provincial government has supported. In some quarters, it is suggested the companies are able to handle all the timber available through expansion programs at their own mill and it is more economic to do so than constructing a mill.

Productive forest lands are estimated able to produce pulpwood from 8,166,000 acres. The distribution: crown lands, 2.6 millions; Bowater's, 2.9 million acres; Anglo-Newfoundland, 2.2 million acres; other holdings, 433,000 acres.

Slightly less than 30% of the island is covered with productive forest but the possibility exists of reclaiming lands which at one time were richly covered by forests but which have been denuded by fire or over cutting.

The commission found a very considerable area of productive forest remains and on its proper protection and management will depend in large measure the future prosperity of the people of Newfoundland. It recommended forest policy in Newfoundland should aim at the maximum possible expansion of the pulp and paper industry and that all other industrial development based on use of the forest resources should be assessed with that objective in mind.

A RAFT of logs is towed out of the Newfoundland forest

Growth potential of the productive forest land when the present mature and over mature portions are brought into production at the commission's set rate of .18 cords per acre would amount to approximately 1,470,000 cords per year. The derived surplus of growth over present foreseeable drain is estimated in the order of 60,000 cords.

Pulpwood accounts for approximately 80% of the value of wood operations in Newfoundland. Most of it is cut by the two pulp and paper companies and manufactured in the province. Increase in annual pulpwood production in the near future to 1,050,000 cords is expected on basis of an estimate by Bowater's of an increase in its annual cut to 650,000 cords and by Anglo-Newfoundland of an increase to 400,000 cords.

Here are the companies:

Bowater's: total tonnage handled by mill docks annually inward amounts to 165,000 tons and outward 365,000 tons. Production has increased from 165,000 tons in 1949 to 220,000 tons in 1945, 300,000 tons in 1950 and currently 350,000 tons. Power and labor reserves are adequate to meet further expansion.

Bowater's production is running at a rate of about 1,900 tons per day of newsprint, 150 tons per day of sales sulphite, giving an annual output of some 310,000 tons and 47,000 tons respectively. To produce this, an annual cut of about half a million cords of wood is required while a further 100,000 cords are cut and shipped to associated mills in the United Kingdom.

Here is what the company achieved in 1955:

The last stages were completed in development plans which led to the present level of production. During the last year a new barking mill, new digester, new line of grinders and new boiler were all completed giving the mill an essential reserve and supporting services to meet all eventualities. Only one item is still outstanding on this program, erection of a new 6,600 kva steam turbine which is scheduled for operation this autumn.

The future:

When the mill was built 30 years ago, it was designed for a capacity of 400 tons per day, and it was not thought it would be capable of any major increase beyond this figure. By next year the original capacity will have been tripled and there is no reason to believe that output cannot still be further expanded. Intensive studies are now being carried out to determine possibilities of further speed-up potential and other associated problems of further development.

Anglo-Newfoundland Development Co. has launched a $2 million program of capital expenditure this year which will include modification and additions to four of its present seven newsprint machines. The speedup plan on three of the machines was expected to be completed in June while the fourth will be completed late this year or early 1957 depending on delivery of materials.

The result: average daily capacity is expected to amount to about 800 tons compared with 750 tons last year. Newsprint output last year hit a record 232,000 tons.

One of the important developments of the company recently has been through the use of a new type of headbox. The results are said generally to have been very favorable. More tonnage is said to have been produced faster and the sheet of paper is considered better.

The company has been using a limited amount of Labrador timber on a trial basis. Although results are reported good, the problem of transportation and the high costs involved make it appear doubtful if this will come into wide scale use in the mill in the foreseeable future.

It is thought, however, that Labrador might eventually be a site for another mill by a newsprint company if the strong worldwide newsprint demand continues and as the area becomes more easily accessible.

Company holds some 7,456 sq. miles of freehold timber from which it is at present cutting about 380,000 cords of wood annually. This can be increased to 400,000 cords from the present holdings so company can increase its present production.

This can be achieved by speedup of existing machines. However, consideration is also being given to another machine.

While the Newfoundland Royal Commission on forestry recommended a third mill and there have been suggestions that both AND and Bowater might participate, some quarters suggest the two companies could probably handle the available timber in the province through separate expansions.

Company ships its exports from Botwood until the close of the season in January until sometime in April. It then ships via St. John's but transportation is high and there is difficulty obtaining rolling stock.

Grand Falls itself is a thriving community of 6,000 whose inhabitants directly or indirectly for the most part earn their living from the AND operations.

Other forest industries in Newfoundland are minor compared with pulp and paper. Timber of saw log size is not abundant on the island and forests in Newfoundland are much better adapted for pulpwood than to the production of sawn lumber.

In 1953, some 1,400 saw mills produced about 61 million ft. bm. Much of the lumber is of low grade, and there is little likelihood that this industry will expand. In fact, Royal Commission recommended that cutting rights issued by Department of Mines and Resources be limited to 50 million ft. bm. per year.

In Labrador, however, the commission was impressed by size and quality of timber. Commission believes there are distinct possibilities of fair sized modern saw mills in Labrador. Timber stands could be logged selectively for saw logs without seriously depleting the pulpwood content. There is no reason why this should await pulpwood development, the commission reported.

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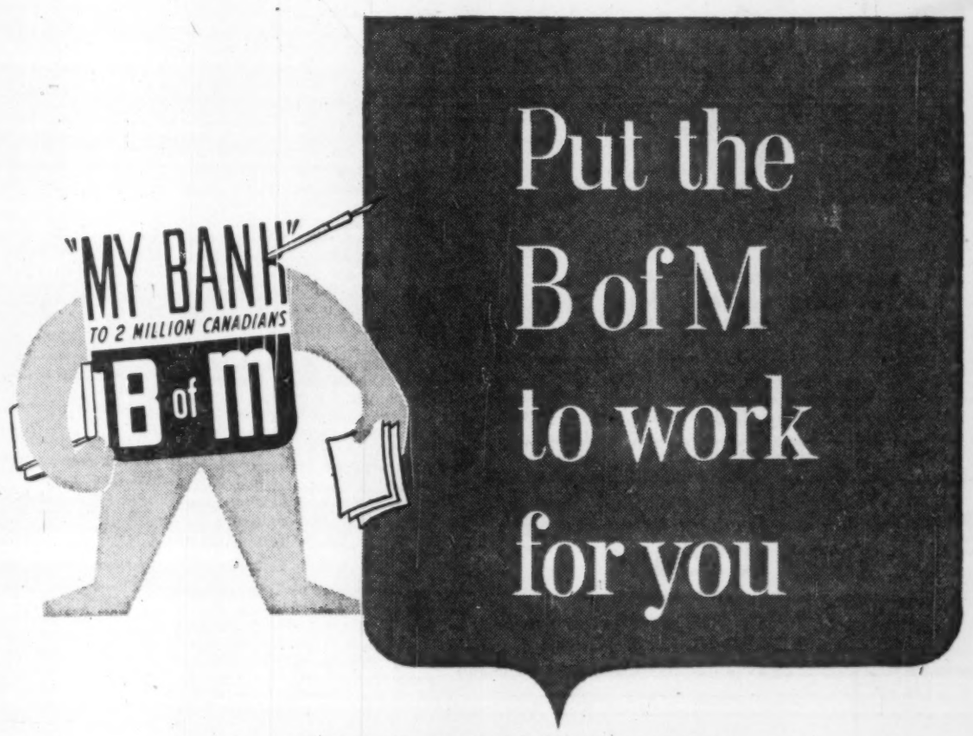

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How New Firms Are Doing

Effect Of Government's Plan To Foster New Industries

The most controversial subject in Newfoundland is the Provincial Government's bold program to encourage establishment of secondary industry.

Since union with Canada, it is said, some of the industries have taken root, others show signs they will overcome initial problems typical of new industries. The deficiency in public services such as lack of roads and communications, the absence of skilled labor force trained in the techniques and discipline of a modern manufacturing plant tended to delay development.

Since it was thought substantial industrial expansion tends to help create conditions necessary for further expansion — industry breeds industry — the Government undertook to assist in financing establishment of a number of new industries.

Over the past seven years, the Government has given loans for new industries and fishery expansion totaling $34.5 million. There were 18 industrial loans made amounting to $24 million and 19 fishery loans involving an outlay of $10,442,000.

In this same period, the industrial plants have distributed $26,249,811 in wages, salaries and local purchases in Newfoundland including $6,774,797 in 1955. A further $7,751,269 will be distributed this year.

That's the report Premier Smallwood made in the House of Assembly this year. He said 2,480 employees worked at the 18 plants (now 17 with the closing by Superior Rubber). He listed five industries of the 18 including Superior Rubber as operating at a loss. The others were Atlantic Gloves, Hanning Electric, Eckhardt Knitting Mills, Adler's Chocolates Ltd. The remaining were operating "in the black," some at a profit.

Principal on none of the loans has been reduced but North Star Cement and Terra Nova Textiles were said keeping up with interest payments. Premier Smallwood predicted that in two years all of them would be in the black with over eight making a profit and reducing their loans.

Here's a breakdown on how the firms are doing based on a Board of Trade review and statements reported made by Premier Smallwood in the legislation (in parenthesis):

A. Adler of Canada Ltd., Bay Roberts, Conception Bay, was a new plant which came into being last year. The company produces English-type chocolates, box chocolates and candy from imported cocoa beans.

In addition to supplying its own needs the plant will be able to provide chocolate coatings for allied industries. The plant was given a loan in June this year to branch off into the manufacture of packaged potato chips which have been enjoying great popularity on the local market.

Eckhardt Mills Ltd., Brigus, Conception Bay, came into production with a high-quality sweaters, suits and dresses knitted from top-grade imported wool. It is directed by a small number of skilled help from Austria, staff is mainly Newfoundlanders. Company has had to do some overtime work to meet demands from retail outlets in St. John's, Montreal and Toronto.

Newfoundland Tanneries (Wm. Dorn) Ltd. at Carbonear, Conception Bay, until late last year was operating on a restricted level and mainly meeting the needs of the shoe and leather goods plant at Harbor Grace. It was announced at year's end that orders had been served from the mainland sufficient to put the industry on a fulltime operating basis in 1956.

(Premier Smallwood reported orders for thousands of square feet of leather were received and at last it looked like good years ahead after difficult times.)

The **Koch Shoe** plant at Harbor Grace, Conception Bay, was reorganized during the year and produces about 300 pairs of shoes per day. It is getting a good reputation in the local markets and hopes were that it would raise its production to capacity levels. Late in 1955 it received its first defense order and is geared for production several times in excess of previous output.

(Premier reported it was breaking even.)

Hannaford Electric Co. plant at Topsail, Conception Bay, was helped by sales to mainland in 1955. A special cold battery for frigid temperatures was developed which is beginning to move in limited quantities into defense and civilian markets. Plant reported operating far from full production.

Superior Rubber Co. at Holyrood, Conception Bay, operated on a limited scale last year making rubber boots and clog rubbers. Closed this year.

Atlantic Gloves Ltd. at Carbonear, Conception Bay, operated at a relatively low level last year. A good quality line of washable hand-sewn leather gloves is produced and the firm branched out into the manufacture of leather ballet shoes and chamois leather on a limited scale.

Atlantic Hardboard Industries Ltd. reported to have had a successful year. Sales doubled over the previous year. Most encouraging was acceptance of its one-ply board into more general use among mainland furniture manufacturers. Company pioneered in Canadian market with this type of high quality board and plant was reaching a good level of production.

(Premier Smallwood reported later that three times present production could not meet firm demands. Prospects, he said, were excellent. It was "a brilliant success" after it was found that the furniture market would pay better for a product too good for its low price to the building trade.)

Newfoundland Hardboards Ltd. plant production said to have expanded impressively in 1955 with emphasis on the production of plywood faced with mahogany veneers cut from imported logs. Company said to have moved into a "dominant" position in supplying Newfoundland market with plywood, doors and flooring, and has continued to expand its mainland and United States markets. During the past year, the company took over the operations of the creosoting and paving mixture plants at Clarenville, Trinity Bay.

Atlantic Gypsum Ltd. at Humbermouth, Corner Brook, Bay of Islands, had a change of ownership which placed control with Bellrock Gypsum Industries of London, Eng. Plant said to have had its most successful year since its establishment with production round-the-clock to keep ahead of demand in Newfoundland, the mainland, and the U. S.

Following an early period of heavy losses, company is said to have moved into the black. (Premier Smallwood reported that production now pays expenses and $100,000 above last year.) Total return so far, $1.7 million with return in 1955 of $830,000, and in 1956 estimated at $1 million.

The first two Bellrock presses for the production of gypsum houses and interior partitioning walls of precast gypsum arrived in the province last year.

North Star Cement Co., Corner Brook, production was continued at full capacity but said unable to meet total requirements of its customers. Plans were to step up output this year.

(Premier Smallwood reported company breaking even with operating income $250,000 over operating expenses last year. He said it has cornered the Newfoundland cement market. Since operations began, it has returned $7.3 million including $1.1 million in 1955 and expected to reach $1.3 million this year.)

United Cotton Mills Ltd., St. John's, had a high production rate during the year. Its products, shirts, blouses and other textile lines, were mainly to meet a good and consistent local demand.

Terra Nova Textiles Ltd. were reported to have ended 1955 in particularly strong position. Based almost entirely on local demand the production turnover at this plant was almost entirely for this market. Firm said producing an excellent line of denim overalls, work clothes and in recent months, made-to-measure suits. (Premier Smallwood said it was "in the black.")

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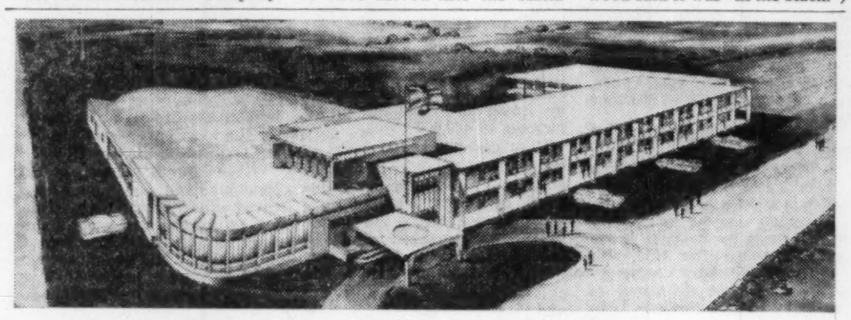

THIS HOTEL, proposed for Grand Falls, is typical of the new tourist facilities being planned by the Trans Island Development Corp.

Building Drive May Spark Tourist Boom

With its historic sites, vast forest areas, rivers, lakes and streams where game and fish abound, Newfoundland is an ideal setting for holidaying tourists.

The big drawback to development of the $5 million annual industry is lack of accommodation, but this problem is being tackled with determination. Plans are on the drawing board, completed or under way to improve this situation.

"We still aren't in a position to invite too many outsiders," says O. L. Vardy, director of Tourist Development, "and we can never expect to have sufficient accommodation to cater to all the people at peak periods, but that situation exists anywhere on the mainland."

The present program calls for construction of six new establishments with about 575 rooms at Port Aux Basques (50), Stephenville (75), Corner Brook (100), Gander (50), Grand Falls (100) and St. John's (200).

The Gander operation will be established by Commercial Caterers Ltd. of Toronto which is operating the present facilities at Gander for the Department of Transport. Construction is hoped to start by early July for completion in the spring of 1957. Total cost is estimated at $280,000 with government guaranteed financing of up to $125,000. The Provincial Government and the company have agreed in principle to the plan.

Other Hotels

The other hotels will be constructed and operated by the Trans-Island Development Corporation. Estimated outlay for the developments is approximately $5 million with a provincial government guarantee of 70% of the required capital and the corporation putting up the remaining $1.5 million.

Trans-Island is described as a group headed by an experienced Swiss operator who is at present arranging for his key personnel. Construction in Grand Falls was to begin at the end of June. This would be the first such hotel with others to follow at Stephenville, Port aux Basques this year. They are to be completed and ready for the 1957 traffic.

Approval for the erection of the first four of the new hotels (three Trans-Island and one Commercial Caterers) was given at the last session of the legislature. There are other smaller establishments being developed in other areas so that by the end of this year there will be a substantial increase in the number of units throughout the island.

One of the active ways the Provincial Government has assisted in construction of new units throughout the province has been through the Tourist Loan Board. Loans are made on a dollar-for-dollar basis and the board won't recommend a loan for an amount in excess of the amount invested by the applicant in cash or kind in the tourist enterprise.

The amount of the loan and interest is paid to the board in yearly or half-yearly installments as the board decides, each of an amount to be fixed by the board. But full payment of principal and interest can't be later than 10 years after the loan is advanced. All loans are secured by first mortgages. Interest is payable at the rate prevailing on government loan: or at the rate charged on loans by banks.

This program was the outcome of an Act by the Provincial Government in 1953 under which loans of $634,500 have been made to date.

Here is what has been accomplished in new constructions, proposed constructions or completed through loan aid:

Location	Number	Amount $
Tompkins (1)	1	22,000
Corner Brook (2)	4	122,000
Deer Lake (5)	3	35,500
Bonne Bay (1)	1	16,000
Grand Falls (1)	1	20,000
Glenwood (1)	1	15,000
Port Blandford (1)	1	15,000
Trinity Bay (3)	5	47,000
Placentia Bay (1)	4	107,000
Avalon Pen'sula (4)	5	225,000
Southern Shore (1)	1	10,000
		634,500

Index to Location

(1) Constructed.
(2) Two completed, two under construction at both centres.
(3) Four completed, one under construction.
(4) Two completed, three under construction.
(5) Two completed, one under construction.

The Return

Here is the estimated return from the travel industry last year. Figures shown are approximate spending of visitors and residents in travel throughout the province last year:

Hotels, motels, cabins, $1,275,000, based on monthly returns to Newfoundland Tourist Development office, by licensed establishments only.

Transportation, $1 million, a rough estimate based on revenue of aircraft, train, boat and taxi service. The actual amount expended in vacation transportation, it is thought, should be greatly in excess of this amount.

Gasoline, garage service, etc., $725,000, considered a low estimate, representing only 7% of total annual gasoline sales in the province. Figure is intended to show spending on "holiday" motoring.

There is no firm basis for spending in restaurants but it is thought to be about $700,000.

Fishing, $455,000, a low estimate based on expenditure in salmon fishing only. Average seasonal spending per individual: nonresident $500, resident $30 including license fee, etc.

Hunting, $371,060, considered to be another low estimate based on big game statistics only. Average spending on individual hunt: nonresident, $500; resident, $20.

Amusements

Amusements, clubs, $300,000, felt to be extremely low.

Retail stores, $200,000, based on special vacation buying — clothing, food, souvenirs, various equipment, etc.

The tourist development bureau in Newfoundland has actively promoted the expansion and improvement of accommodation in the province. The bureau has been responsible for improving the standards of existing establishments, sparking regulations to control operations on higher standards, construction, expansion, maintenance.

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Here's How Mining Is Expanding

• Boost In Iron and Copper Output
• Bigger Mineral Market Assured

Newfoundlanders are justifiably optimistic about the future of one of their three biggest industries—mining.

Large-scale expansion in copper mining will provide a major uplift to Newfoundland economic activity. Greater copper ore resources than anticipated have resulted in a decision to install production capacity on a much larger scale than proposed earlier.

The Boylen interests have already spent more than $1 million on the Tilt Cove project and a further capital outlay of $7 millions or more is proposed to bring the property into production at the 2,000-ton-per-day mill planned.

Output is scheduled to come into being in early 1957 and it is planned to increase capacity to 3,000 tons a day within a year after production is reached. This will give a daily ore treatment rate three times the original schedule.

In many sections of Newfoundland and Labrador, prospecting is continuing and drilling has started on some of the outcroppings.

The Iron Ore Co. of Canada is expected to reach production of 12 million tons this year, with a buildup to 20 million tons by the time the St. Lawrence Seaway is completed. Total shipments last year were 7,721,000 tons. Canadian Javelin Ltd. continues to state the Lake Wabush iron ore property will be developed —three million tons will be sold to overseas customers under contract, production will begin in 1957, a mill will be built to beneficiate the ore, a 45-mile rail line will be built. It has a $16.5 million guaranteed bond issue by Newfoundland Government.

Controversy rages around the possibilities. But, in any case, Newfoundland's mining picture appears bright. Here is what the future holds:

The existing reserves are adequate to support expanding operations in the mining of iron ore and base metals as well as quarrying for a long time to come.

The next 25 years will see a substantial growth in diversified mining operations which will provide more employment and expand the national income assuming continuing demand.

Further mineral discoveries are likely. Shortly after union with Canada, the Provincial Government began extensive surveying and prospecting. An aeromagnetic survey of the island was begun in 1950. Fourteen companies were engaged in mineral exploration by 1953 and all the crown lands in Newfoundland and Labrador were committed to one or other of such companies.

These include British Newfoundland Corp., Newfoundland & Labrador Co., Frobisher Ltd., Falconbridge Nickel Mines Ltd., New Jersey Zinc Explorations Ltd., and other prominent mining interests.

Here are the problems:

Surveys must proceed relatively slowly. Many of the promising areas are heavily timbered. There are very few outcroppings over the island to indicate minerals which may lie under the surface. Another problem is the great depth of glacial cap. Difficulties of terrain have led to the necessity of using air surveys, electromagnetic and aeromagnetic, and the use of such new techniques of surveying as geochemical surveys.

Here are the markets and the long-term outlook:

Authorities consider it a very conservative estimate that mineral production of all kinds on the island itself will at least double in the next 25 years. It is probable, they say, that if present production plans are pursued output of iron in the Knob Lake and Lake Wabush areas in Labrador will quadruple output in a very few years.

Smelter Needed

In terms of income and employment, Newfoundland would derive a great deal more benefit from its mining operations if a smelter of some kind were established in the province.

It has been suggested a smelter which could process ore from Buchans or from the new copper mines which might open up could be established as an economic operation in Bay d'Espoir area on the south coast. The reasons: an ample supply of power, a year-round port, and a comparatively short haul for the ore favor establishment of a smelting industry in the area.

For Dominion Wabana Ore Co. total production is said to have been sold for the next seven years. This is particularly important since markets have been a problem in the past for Bell Island.

In addition to providing about one million tons of ore annually to its parent—Dominion Steel & Coal—the company ships ore to European markets including Britain, Germany and Holland.

Its new concentrating plant which was opened in September 1955, will permit company to produce much higher grade of ore of greater value and in greater demand for the export market.

Future markets for lead, zinc and copper are also reasonably assured. Newfoundland already exports some of her output to the U.S. and has found other markets for these metals in Britain, West Germany, Norway and Belgium. It is expected demand in these countries, as in the U.S. and Canada, will also increase considerably.

Canada and the U.S. are the major markets for the fluorspar which Newfoundland produces.

Markets for limestone and gypsum will vary with the expansion and contraction of cement and gypsum plants in Corner Brook and in the case of limestone with production of steel in Sydney. Increased amounts of lime will undoubtedly be needed for any increase in agriculture, but the amount required will be an insignificant part of the total production.

Local market for cement and gypsum can be expected to expand considerably over the next two or three decades because of the tremendous expansion needed in house building and other construction as population grows.

Long-run prospects for construction materials are good — barring possibility with another depression, and since gypsum and cement operations are on tide-water, they will have the opportunity of participating in the expansion in both Newfoundland and the Canadian mainland.

Expansion in output of limestone and gypsum will be of secondary importance compared with increased output of iron and copper. Newfoundland mineral prospects cannot be evaluated adequately without considering that there are many promising and as yet unexplored areas and there are possibilities of discovery of additional ore bodies and establishment of the smelter.

FLUORSPAR FLOWS up a conveyor belt into a ship at St. Lawrence, Nfld. Demand for this mineral — used in the steel and aluminum industries as a flux — has skyrocketed in the last half-century. Mining generally holds a bright future for Newfoundland. All mineral production is expected to double in the next 25 years.

U.S. Defense Gives Jobs, Cash To Newfoundlanders

When local choirs sing, or the baseball teams play at the local park, or the cash register in a store jingles its merry tune of dollar sales, there's a good chance a U.S. serviceman will be around.

In Newfoundland, the American uniform is as common as in London during World War II, the personnel have adjusted just as quickly to a new and different social background, and not only does he represent a vital arm in continental defense but a vital arm in the economy.

"For years our economy has rested on fishing, mining and the pulp and paper industry," said one businessman, "but today we also have U. S. defense spending."

Over the past seven years, the Northeast Air Command (NEAC) has spent $122.2 million in payrolls, purchases and contracts, personal expenditures. Its impact has been felt by thousands of Newfoundlanders who have worked on the many construction projects, built stores around the bases, formed communities nearby.

"It is fairly safe to say that there is not a home in Newfoundland that has not benefited in one way or another from the establishment of the U.S. bases here," a recent editorial in the Journal of Commerce, official organ of the Newfoundland Board of Trade commented.

There are few who would deny it. U.S. personnel and U.S. defense spending have become interwoven in the pattern of the economic and social life of the island.

Air Bases

The three bases of the Department of Defense installation at Pepperell AFB, Ernest Harmon AFB and Goose Bay AB have approximately 5,000 in personnel at each.

At the Harmon base about 400 servicemen's families live in the area while at the Pepperell base there are about 1,200 American servicemen's families living in the St. John's area. There are no official housing facilities at Goose.

If there are an average of three persons in each of the servicemen's families, it means there are almost 20,000 U.S. personnel, and families at the three bases compared with an over-all population of more than 400,000 in Newfoundland.

The development has stemmed from the Roosevelt-Churchill agreement providing bases for destroyers in World War II. It was an historic deal which helped Britain at a crucial hour in the war; it also gave the U.S. leased air and naval bases in Newfoundland, Bermuda, British Guiana, Trinidad, St. Lucia and Bermuda.

In Newfoundland, it touched off a period of prosperity which is still rolling along and there is no sign of a letup. It also provided missions to defend against possible enemy attack.

The mission of all bases within the NEAC is twofold:

- In co-operation with the RCAF Air Defense Command and the USAF Air Defense Command to provide active air defense on the northeast approaches to continental North America.
- To provide support for the USAF Strategic Air Command, Tactical Air Command, Military Transport Service and any military aviation in the Arctic Northeast.

With the gradually accelerated thunder of more aircraft, larger personnel, new construction, a building and business boom was under way. The Northeast Air Command, born in 1950 as the air component of the U.S. Northeast Command, established by the joint Chiefs of Staff, was an outgrowth of the wartime bases set up in Newfoundland.

Although the U.S. Naval Station at Argentia on the southwest coast is not as large as other U.S. bases its contribution to the economy is important. It is estimated almost $5 million are paid in salaries annually at the base to the 1,700 employees, chiefly Newfoundlanders.

At Argentia, the service personnel pay out about $15,000 annually for Newfoundland car license plates and another $6,000 is spent by them for private operators' licenses. For fishing and hunting licenses, they spend $1,500 yearly. This together with retail purchases and the rent some pay for their families who reside in nearby towns keeps a good deal of money circulating.

One of the most important contributions the U.S. defense bases has made is in providing jobs to thousands of Newfoundlanders.

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• Operating a modernly equipped planing mill and lumber yards.
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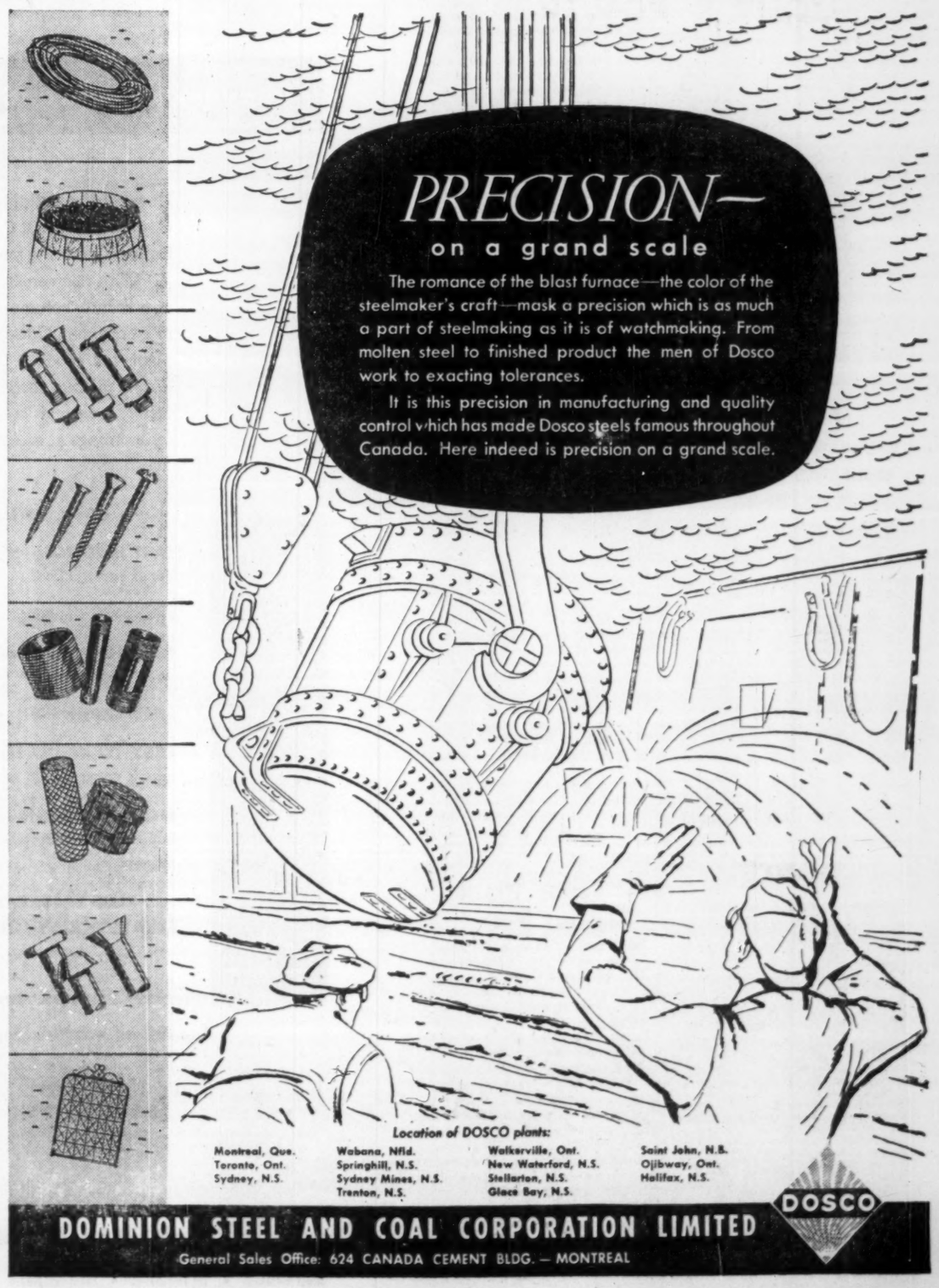


Foreign Insurance Companies Act
Affiliated Underwriters

Notice is hereby given that Certificate of Registry No. C1802 has been issued as at 24th May, 956. by the Department of Insurance, Ottawa, to Affiliated Underwriters (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
American Exchange Underwriters

Notice is hereby given that Certificate of Registry No. C1803 has been issued as at 24th May, 1956, by the Department of Insurance, Ottawa, to American Exchange Underwriters (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
Individual Underwriters

Notice is hereby given that Certificate of Registry No. C1804 has been issued as at 24th May, 1956, by the Department of Insurance, Ottawa, to Individual Underwriters (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
Metropolitan Inter-Insurers

Notice is hereby given that Certificate of Registry No. C1805 has been issued as at 24th May, 1956, by the Department of Insurance, Ottawa, to Metropolitan Inter-Insurers (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

Foreign Insurance Companies Act
New York Reciprocal Underwriters

Notice is hereby given that Certificate of Registry No. C1806 has been issued as at 24th May, 1956, by the Department of Insurance, Ottawa, to New York Reciprocal Underwriters (New York City, U.S.A.), authorising it to transact in Canada the business of Personal Property Insurance, in addition to the classes for which it is already registered.

LESLIE PHILLIPS,
Chief Agent for Canada

CERTIFICATE OF REGISTRY

Notice is hereby given that the Zurich Insurance Company has received certificate of registry no. C1815 authorizing it to transact in Canada the business of Explosion Insurance and Forgery Insurance in addition to the classes for which it is already registered.

J. H. BURGAR,
Chief Agent for Canada.

NOTICE

Notice is hereby given that Certificate of Registry No. C1814 dated June 6, 1956, has been issued to the Firemen's Mutual Insurance Company, authorizing it to transact in Canada the business of Fire Insurance, Aircraft Insurance, Automobile Insurance, Boiler Insurance, Explosion Insurance, Inland Transportation Insurance, Machinery Insurance, Personal Property Insurance, Plate Glass Insurance, Real Property Insurance, Theft Insurance and, in addition thereto, Earthquake Insurance, Falling Aircraft Insurance, Hail Insurance, Impact by Vehicles Insurance, Sprinkler Leakage Insurance, Water Damage Insurance, Weather Insurance and Windstorm Insurance, limited to the insurance of the same property as is insured under a policy of Fire insurance of the Company.

B. F. CURIT,
Vice-President & Secretary.
James P. McD. Costigan,
Chief Agent in Canada,
Toronto, Ontario.

NOTICE
CALEDONIAN-AMERICAN INSURANCE COMPANY
OF NEW YORK, N.Y.

Notice is hereby given that the Caledonian - American Insurance Company of New York, N.Y., having ceased to carry on business in Canada and having reinsured its liabilities in Canada in the Caledonian-Canadian Insurance Company of Toronto, Ontario, which is registered under The Canadian & British Insurance Companies Act 1932, as amended, to transact business in Canada, will apply to the Minister of Finance for the release on the 30th day of July 1956, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposed to such release should file his opposition thereto with the Minister of Finance —Ottawa on or before the 30th day of July 1956.

Dated at Toronto, Ontario, this 16th day of April 1956.

Signed REGINALD L. YOUNG,
Chief Agent in Canada.

NOTICE

Notice is hereby given that Certificate of Registry No. C1791 dated May 7, 1956, has been issued to the Manufacturers Mutual Fire Insurance Company authorizing it to transact in Canada the business of Fire Insurance, Aircraft Insurance, Automobile Insurance, Boiler Insurance, Explosion Insurance, Inland Transportation Insurance, Machinery Insurance, Personal Property Insurance, Plate Glass Insurance, Real Property Insurance, Theft Insurance and, in addition thereto, Earthquake Insurance, Falling Aircraft Insurance, Hail Insurance, Impact by Vehicles Insurance, Sprinkler Leakage Insurance, Water Damage Insurance, Weather Insurance and Windstorm Insurance, limited to the insurance of the same property as is insured under a policy of Fire insurance of the Company.

A. T. JOHNSON,
Vice-President & Secretary.
James P. McD. Costigan,
Chief Agent in Canada,
Toronto, Ontario.

School Bell Draws Oilfield Workers To $60,000 Courses

From Our Own Correspondent

EDMONTON — Close to 3,000 oilfield workers in Western Canada are going back to school this year — without leaving their jobs.

Purpose: Quick, on-the-spot training in specific branches of oilfield operations, without loss of working time.

Their companies aim to train selected men who will in turn teach others in the field, saving much of the time and money which would be spent in conventional training.

The program is being carried out by the Petroleum Industry Training Service, operating under the Extension Department of the University of Alberta and sponsored jointly by the Alberta Mines & Minerals department, the Canadian Association of Oilwell Drilling Contractors, and the Canadian Petroleum Association.

The plan originated in 1949 — two years after the Leduc discovery, when drilling companies were rushing hundreds of inexperienced workers to the oilfields. But it wasn't anything like a continuous operation until this year.

Now there are 69 courses — ranging from geology to mud pumps — almost triple the number given last year. The 2,800 trainees expected in 1956 is nearly the total number trained in the previous six years.

It will cost $60,000 — nearly twice as much as in 1955. Of this, $12,000 is contributed by the provincial government, and $6,000 each by CAODC and CPA. The remaining $36,000 will come from fees, paid by companies in proportion to the number of employees attending.

Fees were recently raised from $3 to $5 per person per three-hour course, with a maximum of $35, depending on course length.

At work, PITS is a mobile unit, traveling as a well-stocked station wagon to oil and gas fields from Fort St. John, B.C., to Virden, Man. Courses are being given at 37 centres this year.

"School is set up wherever there are a few interested oilmen and a spare hall," says PITS director J. H. W. Wilson. Crews have learned how to handle natural gas in the Al Ahzar Temple in Calgary, and studied the fine points of drilling bits in the Valleyview Jubilee Theatre.

Hours are geared to shift work, with schools starting at 9.30 a.m. and 7.30 p.m. (most are held twice).

Most are three-hour courses, but a few are much longer. A 30-hr. course in treating oilfield emulsions is scheduled for September, and instruction in reservoir engineering will take 120 hours in October. Average attendance is 30.

L. M. COSGRAVE

has been elected a director Great Lakes Reinsurance Co. of the Sterling Offices Group.

B. C. Telephone Gives Details Of New Issue

MONTREAL (Staff)—Additional issue of $7.5 million of 4¾% cumulative redeemable $100 par preferred shares (series 1956) British Columbia Telephone Co. (FP, June 16) included these provisions:

—Shares rank equally for dividends with the existing 6%, 4¾%, 4½% and 4⅜% cumulative preferred shares. They are in priority to ordinary shares and subordinate to the 6% preference shares.

—Shares are redeemable in whole or part at option of company at a premium of 4% and on winding up be entitled to rank as regards repayment of capital in priority to ordinary shares and equally with the 6%, 4¾%, 4½%, and 4⅜% cumulative preferred shares and subordinate to the 6% cumulative preference shares but shall not be entitled to any further participation in surplus assets.

Net tangible assets are $209 per $100 par value of preference and preferred shares to be outstanding upon completion of the present financing. W. C. Pitfield & Co. were underwriters.

Annual dividend requirements on the company's preference and preferred shares to be outstanding upon completion this financing will amount to $1,530,000 and net income available for dividends in the year ended Dec. 31, 1955, amounted to $3,735,193 or approximately 2.44 times such dividend requirements.

On the same basis, net income available for dividends for the three months ended March 31, 1956, amounted to $1,091,138 or 2.8 times such dividend requirements for the three-month period.

Chateau-Gai Issues Bonds

A new issue of $500,000 5% 20-year first mortgage sinking fund bonds of Chateau-Gai Wines Ltd. is being placed privately by Equitable Securities Canada, Ltd., at par. The bonds mature June 1, 1976.

Proceeds will be used for three purposes: $110,000 to acquire additional property; $58,000 for the acquisition of additional inventory; and the balance for repayment of demand loans which at April 30 amounted to $370,000.

Maximum annual interest requirements of the bonds will come to $25,000. The company will establish a sinking fund to retire not less than $475,000 principal amount of the bond issue prior to maturity by payments from 1957 to 1975 inclusive of amounts sufficient to retire in each year $25,000 principal amount of the bonds.

Company earnings — after operating expenses and depreciation but before income taxes — for the 10 years ending April 30, 1955, averaged $214,950 or over eight times the maximum annual interest requirements. For the last five years, the average earnings have been over 10 times the interest requirement and in the last fiscal year when earnings came to $307,174, over 12 times the requirements.

New Color Plant Is Biggest Yet

The largest single investment in color work in Canada is claimed by Rapid Grip & Batten Ltd. for its new color-photo engraving plant recently opened in Toronto.

With a floor area of 10,000 sq. ft., it has been designed to handle existing demands easily and accommodate future requirements. Modern production units and detailed space planning, states the company, will result in greatly increased productivity. Emphasis has been placed upon a controlled program that will permit further expansion when necessary.

President Jack H. Batten reports that color in advertising is drawing heavily on production facilities and the company foresees still greater demands.

Phillips Electrical Adds $1.3 Million Vancouver Plant

Phillips Electrical Co., Brockville, Ont., will immediately begin construction of a $1,250,000 plant on a 14-acre site in Vancouver, announces President T. A. Lindsay.

General manager of company's Pacific division with headquarters in Vancouver will be Geoffrey Purdy, now secretary.

Phillips recently completed plans calling for expenditure of $5 million on buildings, plant and equipment during the next five years.

Program is aimed to meet the continually growing demand for company's products, indicated by a comprehensive survey of potential markets. Increasing electrical power consumption points to greater demand for wire and cable.

Company operations will provide nearly $2.6 millions and balance will come from recent issue of an additional $2.5 million Series B first mortgage sinking fund bonds, due May 1, 1973.

Sinking fund provision is sufficient to retire $125,000 annually 1959-73 inclusive, or 75% of principal by maturity. Offering was made by a group headed by W. C. Pitfield & Co.

Only last year Phillips completed a $3 million plant improvement program which it began in early 1954.

Phillips is a subsidiary of British Insulated Callender's Cables Ltd. of London, Eng. B.I.C.C. is the parent nucleus of a group of more than 40 subsidiary and associated companies in 65 countries with assets of about $220 million.

CORPORATE CONSTRUCTION NEWS

re: REGENCY TOWERS HOTEL

The NEW Regency Towers Hotel on Avenue Rd., Toronto, was completed in November, 1955.

The hotel's 70 suites are all luxuriously furnished and fully broadloomed. Twenty-four of them include modern and well-equipped kitchenettes. Each suite has maid service and is easily reached from the automatic elevator.

Regency Towers Hotel is completely fire-proof.

Adequate parking space is available to guests with space for approximately 100 cars.

Situated in a comparatively quiet area of the city it is nevertheless only five minutes from downtown.

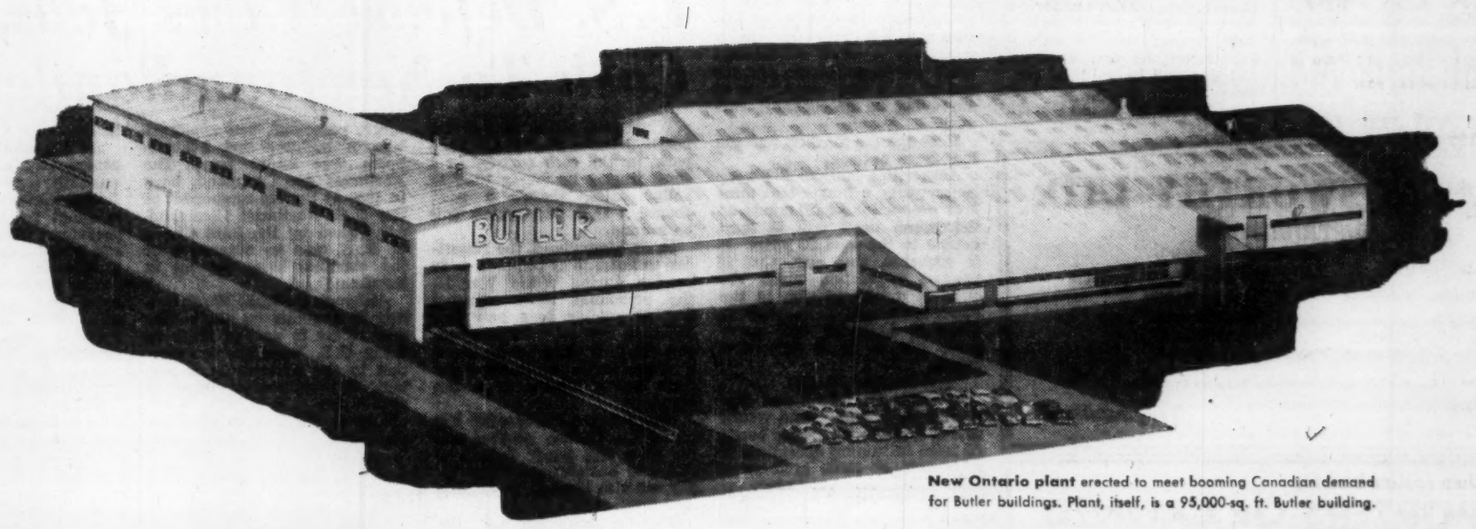
ARCHITECT: Wilfred Shulman
CONSULTING ENGINEERS: Teiss Technical Co.
GENERAL CONTRACTOR: J. D. Fienberg

OILBURNER: One AR 144 No. 5 RAY fully automatic developing 110 total horsepower.

RAY OILBURNERS by MARTIN BROTHERS
2709 YONGE ST. TORONTO 12, MA. 0733

Butler... Canada's favourite metal buildings

NOW MADE IN CANADA



New Ontario plant erected to meet booming Canadian demand for Butler buildings. Plant, itself, is a 95,000-sq. ft. Butler building.

In every province, Butler buildings have helped Canada build faster... at less cost

Now, Butler buildings are manufactured right here in Canada—by Canadians—with Canadian steel—and sold by Canadian Butler Builders, to bring you even faster delivery and better service.

With this versatile line of pre-engineered metal buildings selling at a record volume in Canada, Butler has completed a new plant in Burlington, Ontario, to supply the demand. The new Burlington plant will produce the identical building that has made the name Butler famous throughout Canada and the world. Mass manufacturing and precision fabrication are combined to produce high quality buildings at economical prices.

NOW, THESE BUTLER ADVANTAGES . . .

FAST ERECTION—pre-engineered to go up weeks sooner than conventional construction.

FIRE-SAFE—nothing to burn with Butler's all-metal construction.

ATTRACTIVE APPEARANCE—precision-made to be functional and smart-appearing.

EASY EXPANSION—built-in provision for expansion in any direction.

EASY TO INSULATE, ECONOMICAL TO HEAT—insulated Butler wall equals conventional wall 12" thick!

MODERN DESIGN—architectural treatment is easily applied using the Butler Building System to make distinctive stores, offices, churches, and schools.

. . . PLUS FASTER DELIVERY, BETTER SERVICE FROM BUTLER'S STRATEGICALLY-LOCATED NEW CANADIAN PLANT.

For full information call or write the Butler Builder nearest you

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BRITISH COLUMBIA
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MANITOBA
Frank Lawson & Sons Ltd. Brandon
Midwest Mining Supplies Ltd. Flin Flon
Steel Structures (Western) Limited Winnipeg

NEW BRUNSWICK
H. M. Lennox Limited Moncton

NEWFOUNDLAND
Provincial Constructors Ltd. Corner Brook
Provincial Constructors Ltd. St. John's

NOVA SCOTIA
Pre-Engineered Supplies Ltd. Halifax

ONTARIO
Barnett, McQueen Company Limited Fort William
The George Taylor Hardware Limited New Liskeard and North Bay
Steel Building Sales & Supply Ltd. Toronto

QUEBEC
Geocon Limited Montreal and Quebec City

SASKATCHEWAN
Lavold's Limited Lloydminster
Western Tractor & Equipment Co. Ltd. Regina and Saskatoon

BUTLER STEEL PRODUCTS

BUTLER MANUFACTURING COMPANY (CANADA), LTD.
Queen Elizabeth Highway at Walker's Line • P. O. Box 506, Burlington, Ontario
Steel Buildings • Oil Equipment • Farm Equipment • Dry Cleaners Equipment • Outdoor Advertising Equipment • Special Products

1000 Tons of Structural Steel available monthly.

Enquiries with detailed specifications solicited.

M. A. STEWART & SONS LTD.
ANNACIS INDUSTRIAL ESTATE
NEW WESTMINSTER, B.C.

How Life Firms Handled Stocks in '55

Canadian life insurance companies have an investment of $80 millions in Canadian stocks. As professional investors, their stock holdings and transactions carry wide interest.

As a service to its readers, The Financial Post presents here the third of a series reporting on the holdings of individual companies, as well as changes in their portfolios of Canadian preferred and common stocks last year.

Excelsior Life

Excelsior Life Insurance Co., Toronto, in 1955 reduced its holdings of preferred stocks to 0.4% from 0.9% of total invested assets. Company increased its holdings of common stocks to 4.6% from 3.7%. Stocks were carried on its balance sheet at $3,911,882 at Dec. 31, 1955 ($3,308,419 a year earlier).

During the year, in its holdings of Canadian stocks, Excelsior Life:

—Added three preferred and five commons.

—Eliminated six preferreds and five commons.

—Increased 16 commons.

—Reduced one preferred and three commons.

Here are company's holdings of Canadian preferred and common stocks at Dec. 31, 1955, together with changes from the previous year:

	Shares Held at Dec. 31 1955	Change Since Dec. 31 1954
Preferred Stocks		
Aluminum Co. 4½% 2nd	1,000	+1,000
Anglo-Cdn Tphone 4½%	475	—25
Cdn Breweries $1.25	500	+500
Cdn Celanese $1.75	300	...
Cdn Industries 7½%	860	...
DuPnt Co. of Can Sec 7½%	860	...
Internat'l Nickel 7%	500	...
Loblaw Groceterias	1,000	...
Massey-H-Ferg 4½%	100	+100
Abitibi P & P 4½%	...	—1,800
Aluminum Co. 5¼%	...	—1,150
B C Electric, 5%	...	—1,500
Can. Packers, $1.50 A	...	—1,150
Hamilton Cotton 5%	...	—200
Winnipeg Electric 5%	...	—1,095
Common Stocks		
Abitibi P & P	5,000	+5,000
Aluminium Ltd.	4,000	+1,500
Bank of Montreal	3,300	—500
Bank of Nova Scotia	2,000	...
Bell Telephone	2,000	+2,000
B A Oil	5,000	...
B C Power	2,000	+2,000
Can Permanent Mtge	2,200	+150
Can Wire & Cable B	705	...
Cdn Bank of Commerce	3,500	+1,500
Cdn Breweries	3,704	+1,154
Cdn Oil Cos.	11,150	+6,150
Cons Mng & Smelting	5,000	...
Cons Paper	6,000	•+3,000
Distillers Corpn-Seag	2,000	+1,000
Dome Mines	2,000	...
Dom Fdries & Steel	1,000	+1,000
Dom. Glass	2,000	+1,000
Dom Stores	3,500	+1,500
Falconbridge Nickel Mines	2,000	...
Gatineau Power	5,000	+1,000
Hollinger Cons Gold	1,000	...
Imp Bank	2,500	+500
Imp Oil	3,000	+1,900
Imp Tobacco	4,000	...
Internat'l Nickel	5,000	...
Interprov. Pipe Line	3,000	...
MacM & Bl B	3,000	+1,000
Massey-H-Ferg	2,000	...
Henry Morgan	1,000	...
National Trust	300	+130
Noranda Mines	2,000	•+1,500
Powell River	2,500	+500
Power Corp	1,000	—1,000
Price Bros.	2,000	...
Royal Bank	2,500	...
Shawinigan W & P	2,000	+2,000
Steel Co.	4,000	...
Toronto-Dom Bank	3,500	†+3,500
Toronto Gen Trusts	2,000	—500
H Walker-Good & W	3,000	...
Bank of Toronto	...	—†2,000
CPR	...	—3,200
Dom Bank	...	†—600
H B Mng & Smeltg	...	—300
Traders Finance A	...	—2,000

†Exchange on formation of new bank.
•Stock split.

The company's invested assets at the year-end consisted of 59.7% bonds, 26.8% mortgages, 5.9% policy loans, 5% stocks, 2.3% real estate and 0.3% other. An analysis of invested assets at the end of each of the last four years shows as follows:

	1955 %	1954 %	1953 %	1952 %
Bonds:				
Government	20.9	23.5	25.8	30.3
Municipal	9.7	10.0	9.9	9.5
Other	29.1	27.9	26.7	25.4
Total	59.7	61.4	62.3	65.2
Mortgages:				
Farm	0.1	0.1	0.1	0.1
Urban	26.7	24.2	22.4	20.4
Total	26.8	24.3	22.5	20.5
Policy Loans	5.9	6.0	5.9	5.9
Stocks:				
(a) Preferred	0.4	0.9	1.6	2.1
(b) Common	4.6	3.7	3.6	3.3
Total	5.0	4.6	5.2	5.4
Real Estate	2.3	2.7	2.2	2.1
Other	0.3	1.0	1.9	0.9
Grand Total	100.0	100.0	100.0	100.0

Great-West Life

Great-West Life Assurance Co., Winnipeg, in 1955 reduced its holdings of preferred stocks to 2.3% from 2.4% of total invested assets. Company maintained its holdings of common stocks at 0.5%. Stocks were carried on its balance sheet at $15,156,797 at Dec. 31, 1955 ($14,691,961 a year earlier).

During the year in its holdings of Canadian stocks, Great-West Life:

—Added two preferreds and one common.

—Eliminated four preferreds and two commons.

—Increased one common.

Here are company's holdings of Canadian preferred and common stocks at Dec. 31, 1955, together with changes from the previous year:

	Shares Held at Dec. 31 1955	Change Since Dec. 31 1954
Preferred Stocks		
B. C. Electric 4¼%	1,000	...
B. C. Telephone 4½%	...	—10
Nova Scotia L & P 4½%	1,000	...
Saguenay Power 4¼%	...	—950
Shawinigan W & P 4½%	4,290	...
Southern Can Power 6%	500	...
Aluminum Co. 4½%	9,500	+9,500
Aluminum Co. 5¼%	...	—2,625
Cdn Celanese $1.75	1,500	...
Cdn Industries 7½%	500	...
Dom Glass 7%	1,200	...
Dom Textile 7%	121	...
DuPont of Can Sec 7½%	300	...
Goodyear Tire 4%	2,000	...
Imp Flo-Glaze Paints $1.50	1,000	...
Henry Morgan 4¾%	1,000	...
Moore Corp 4%	...	—1,500
Nat'l Grocers $1.50	500	...
Howard Smith Paper $2.00	9,300	...
Western Grocers $1.40	500	...
Zellers Ltd. 4½%	1,000	+1,000
Common Stocks		
Aluminium Ltd.	2,662	+242
B A Oil	2,600	...
Cdn Celanese	648	...
Cdn Industries	550	...
DuPont of Can Sec	540	...
Ford Motor Can	800	...
Imp Flo-Glaze Paints	500	...
Noranda Mines	2,100	•+1,050
Ogilvie Flour	1,400	...
Steel Co.	800	...
Dom Bank	...	†—1,100
Toronto-Dom Bank	1,100	†+1,100
Western Grocers	...	—300

•Stock Split.
†Exchange on formation of new bank.

The company's invested assets at the year-end consisted of 49.7% bonds, 37.6% mortgages, 4.1% policy loans, 2.8% stocks, 3.8% real estate and 2% other. An analysis of invested assets at the end of each of the last four years shows as follows:

	1955 %	1954 %	1953 %	1952 %
Bonds:				
Government	14.2	16.9	22.5	25.4
Municipal	5.7	5.8	5.4	5.5
Other	29.8	29.8	29.9	28.6
TOTAL	49.7	52.5	57.8	59.5
Mortgages:				
Farm	0.1	0.1	0.2	0.2
Urban	37.5	35.3	30.3	28.5
TOTAL	37.6	35.4	30.5	28.7
Policy Loans	4.1	4.3	4.4	4.5
Stocks:				
(a) Preferred	2.3	2.4	2.1	2.1
(b) Common	0.5	0.5	0.5	0.5
TOTAL	2.8	2.9	2.6	2.6
Real Estate	3.8	3.4	2.6	2.6
Other	2.0	1.5	2.1	2.1
Grand Total	100.0	100.0	100.0	100.0

London Life

London Life Insurance Co., London, Ont., in 1955 maintained its holdings of preferred stocks at 0.2% of total invested assets. Company also maintained its holdings of common stocks at 0.2%. Stocks were carried on its balance sheet at $2,189,690 at Dec. 31, 1955 ($2,147,135 a year earlier).

During the year in its holdings of Canadian stocks, London Life:

—Added one preferred.

—Eliminated one preferred.

—Increased one common.

—Reduced one preferred.

Here are company's holdings of Canadian preferred and common stocks at Dec. 31, 1955, together with changes from the previous year:

	Shares Held at Dec. 31 1955	Change Since Dec. 31 1954
Preferred Stocks		
Aluminum Co. 4½%	5,200	+5,200
Dom Fndries & Steel 4½%	2,000	...
Dom Tar & Chem 4.255%	500	...
Goodyear Tire 4%	915	—4,085
Howard Smith Paper 4%	1,000	...
Henry Morgan 4¾%	350	...
P L Robertson Mfg 5%	750	...
Saguenay Power 4¼%	...	•—500
Shawinigan W & P 4%	3,800	...
N Slater Co. 4.24%	1,075	...
Traders Finance 4½%	500	...
George Weston 4½%	1,000	...
Zeller's Ltd. 4½%	1,000	...
Common Stocks		
Bell Telephone	9,942	▲+1,242
Famous Players Cdn	4,000	...
Internat'l Nickel	4,000	...
Ontario Loan & Deb	23,925	...

*Called.
▲Acquired by rights.

The company's invested assets at the year-end consisted of 35.1% bonds, 56.1% mortgages, 5.4% policy loans, 0.4% stocks, 2.9% real estate and 0.1% other. An analysis of invested assets at the end of each of the last four years shows as follows:

	1955 %	1954 %	1953 %	1952 %
Bonds:				
Government	20.7	28.5	33.7	38.5
Municipal	2.0	2.0	2.0	2.1
Other	12.4	13.2	12.9	12.6
TOTAL	35.1	43.7	48.6	53.2
Mortgages:				
Farm	0.1	0.1	0.1	0.1
Urban	56.0	47.0	41.9	37.0
TOTAL	56.1	47.1	42.0	37.1
Policy Loans	5.4	5.5	5.5	5.5
Stocks:				
(a) Preferred	0.2	0.2	0.2	0.4
(b) Common	0.2	0.2	0.3	0.3
TOTAL	0.4	0.4	0.5	0.7
Real Estate	2.9	3.2	3.3	3.4
Other	0.1	0.1	0.1	0.1
Grand Total	100.0	100.0	100.0	100.0

Manufacturers Life

Manufacturers Life Insurance Co., Toronto, in 1955 reduced its holdings of preferred stocks to 3.4% from 6% of total invested assets. Company reduced its holdings of common stocks to 2.8% from 4.1%. Stocks were carried on its balance sheet at $39,702,306 at Dec. 31, 1955 ($58,369,421 a year earlier).

During the year, in its holdings of Canadian stocks, Manufacturers Life:

—Added four preferreds and three commons.

—Eliminated one preferred and seven commons.

—Increased five commons.

—Reduced 10 commons.

Here are company's holdings of Canadian preferred and common stocks at Dec. 31, 1955, together with changes from the previous year:

	Shares Held at Dec. 31 1955	Change Since Dec. 31 1954
Preferred Stocks		
Aluminum Co. $1.00	200	+200
Aluminum Co. $2.25	20,165	+20,165
Anglo Cdn P & P $2.80	10,000	...
Biltmore Hats $1	1,384	...
B C Electric $4.75	1,200	...
Bruck Mills $1.20	5,300	...
Cdn Breweries $1.25	9,575	+9,575
Cdn Celanese $1.75	800	...
Cdn Food Prods. $4.50	500	...
Cdn Ice Machine 80c	2,000	...
Fittings Ltd. A 60c	6,925	...
Gen Steel Wares $5	1,140	...
G MacKay & Stores 50c	5,000	...
Hamilton Cotton $5	350	...
Imp Flo-Glaze $1.50	1,225	...
Massey-H-Ferg $4.50	2,230	+2,230
Monarch Knitting $4.50	205	...
P L Robertson Mfg. $1.20	2,500	...
St Lawrence Flour $7	271	...
Winnipeg Electric $5	...	*—4,407
Common Stocks		
Abitibi	15,400	+1,400
Bk of Commerce	4,200	+2,200
Imperial Bank	3,250	+975
Bk of Montreal	4,375	...
Bk of Nova Scotia	1,500	...
Royal Bk	4,200	...
Toronto-Dom Bk	3,000	†+3,000
B A Oil	12,000	—8,000
Cdn Breweries	14,400	...
Cdn Celanese	2,000	...
Cdn Cottons	1,000	...
Cons Mng & Smelting	11,500	—6,000
Consumers' Gas	22,500	...
Distillers Seagram	13,900	...
Dom Bridge	20,000	+6,000
Fraser Cos.	1,000	—2,975
Gen Petroleums A	6,300	...
Hamilton Cotton	2,320	...
Hollinger	6,700	+6,700
Imp Oil	4,500	...
Int Nickel	9,800	—1,200
Interprov Pipe Line	4,000	...
MacM & Bl B	7,325	—15,825
Mining Corp	3,000	...
Moore Corp	7,000	—2,000
Noranda Mines	15,200	+7,200
St Lawrence Corp	8,000	...
Stedman Brothers	3,775	—25
Steel Co.	6,000	—10,167

*Called.
†Exchange on formation of new bank.
•Stock split.

The company's invested assets at the year-end consisted of 59.7% bonds, 26.8% mortgages, 5.9% policy loans, 5% stocks, 2.3% real estate and 0.3% other. An analysis of invested assets at the end of each of the last four years shows as follows:

	1955 %	1954 %	1953 %	1952 %
Bonds:				
Government	20.9	23.5	25.8	30.3
Municipal	9.7	10.0	9.9	9.5
Other	29.1	27.9	26.7	25.4
Total	59.7	61.4	62.3	65.2
Mortgages:				
Farm	0.1	0.1	0.1	0.1
Urban	26.7	24.2	22.4	20.4
Total	26.8	24.3	22.5	20.5
Policy Loans	5.9	6.0	5.9	5.9
Stocks:				
(a) Preferred	0.4	0.9	1.6	2.1
(b) Common	4.6	3.7	3.6	3.3
Total	5.0	4.6	5.2	5.4
Real Estate	2.3	2.7	2.2	2.1
Other	0.3	1.0	1.9	0.9
Grand Total	100.0	100.0	100.0	100.0

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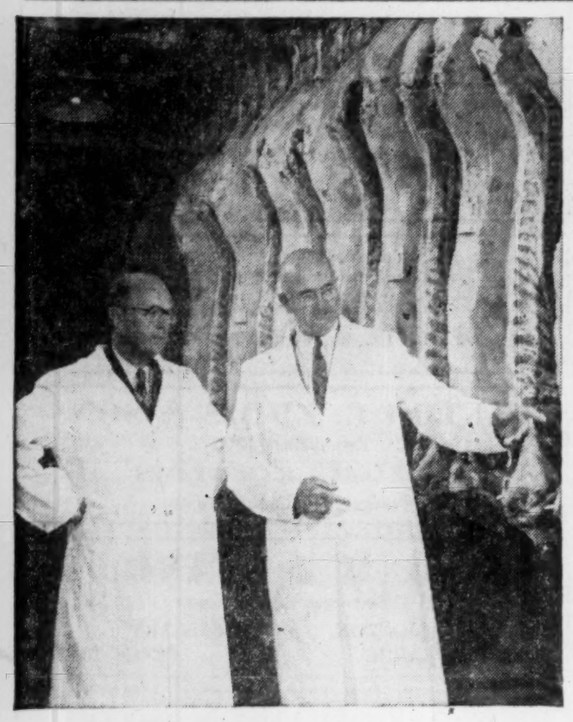

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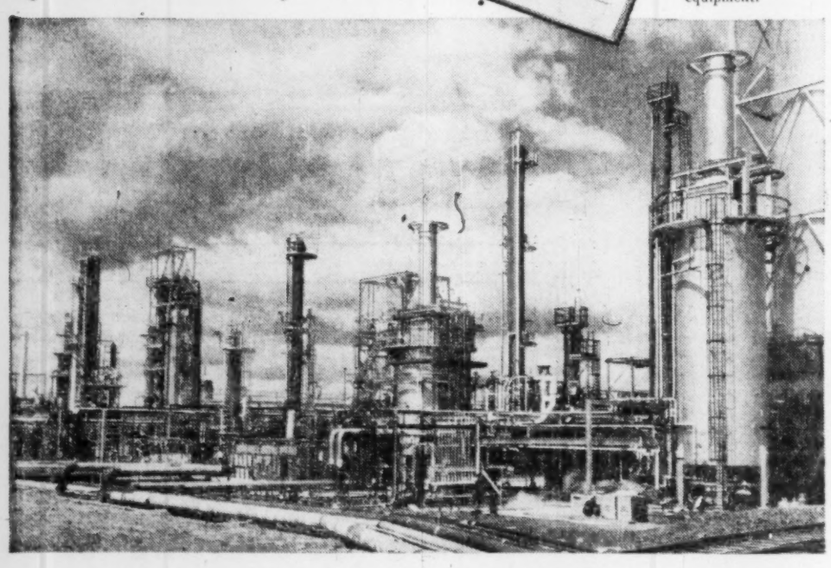

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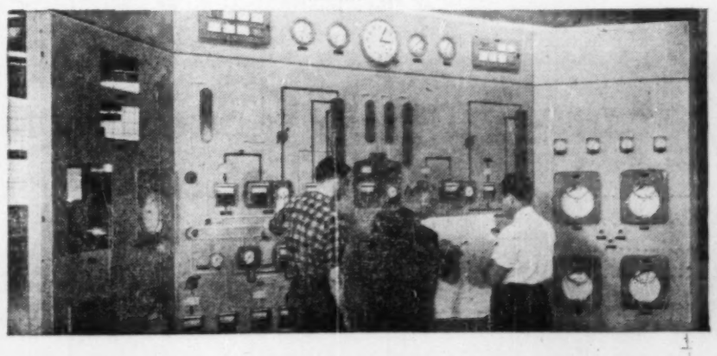

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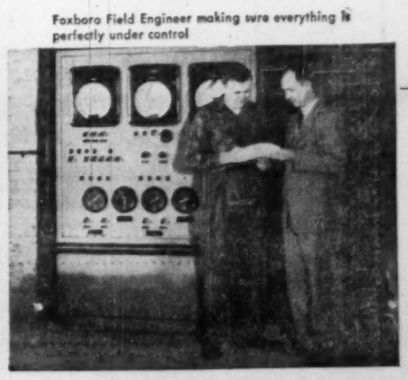

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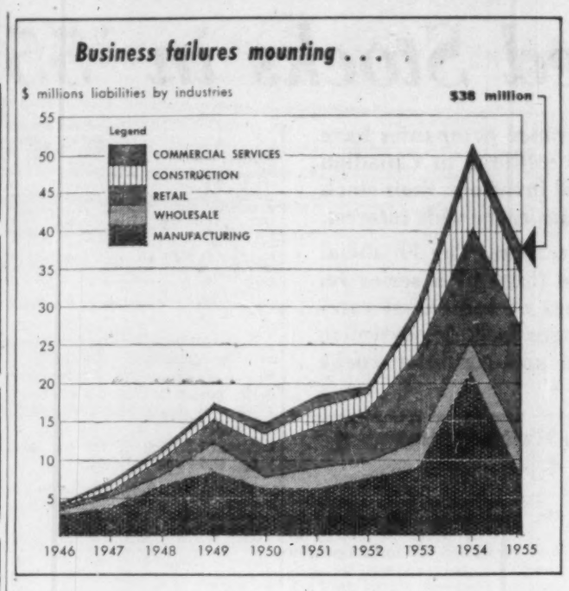

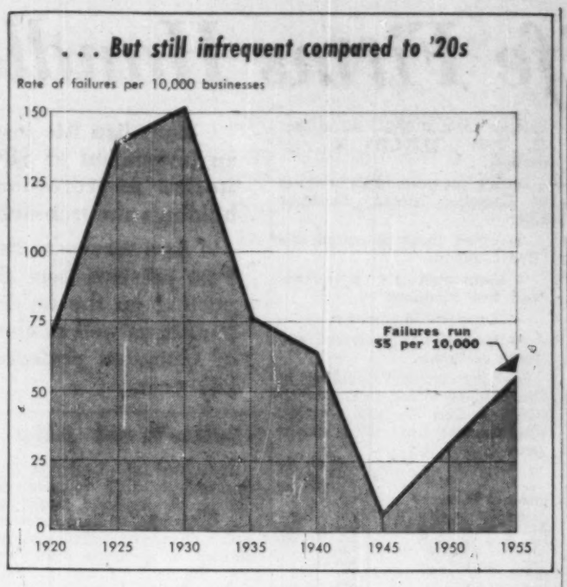

Why 1,352 Firms Failed In '55

Here's An Analysis Grouped By Cause, Class of Business

By DALTON ROBERTSON

If you own a business or you're thinking of buying one, it's a pretty safe bet you'll make a go of it. In fact, looking at the long-term trend, there's only about one chance in one hundred of having to give up the venture and close shop.

That's the statistical average of Canadian business failures since the beginning of the century, according to Dun & Bradstreet of Canada. And by and large, the odds are getting better. Last year only one out of every 210 failed to make the grade.

With 55 failures per 10,000 businesses in 1955, the record was slightly better than that of the year before when there were 57 per 10,000. These rates compare well with the high point of business failures when in 1922 some 228 per 10,000 gave up the ghost and with the depression years' average of 144 per 10,000.

The failure rate per 10,000 places the mounting total of failures and the growing volume of liabilities in perspective. In the postwar decade, the number of firms to go under has jumped from 130 in 1946 to 1,352 last year. Liabilities over the same years soared from $4 million to $38.1 million.

But instead of indicating a troubled trend in the economy, the greater number of failures and the higher liability total each year reflect the rapid expansion of business operations since the end of the war. With a sharply higher number of businesses, a greater number of failures are to be expected. Last year's failure rate was still half the average of the last 55 years.

Behind business failures are managerial shortcomings. Neglect, fraud and disaster play a negligible part in bringing bankruptcy. Dun & Bradstreet lists four kinds of managerial inexperience that caused 1,307 failures or 96.7% of last year's total 1,352.

Lack of experience in the line caused 84 or 6.2% of all failures. A lack of managerial experience pushed another 532 businesses out of operation (39.4%). Unbalanced managerial experience — where officials were not well rounded in sales, finance, purchasing, production — caused 403 to go under (29.8%). And straight incompetence made 288 founder (21.3%).

Neglect brought about the failure of 28 businesses (2.1%). Fraud accounted for four or 0.3% while disaster caused 11 or 0.8% to fail. In only two cases is the reason for failure given as unknown.

A detailed breakdown of the apparent causes of last year's failures is shown on the accompanying table. These are based on opinions of informed creditors and other information reported to Dun & Bradstreet. Failures by groups of industry and by province are also given.

Here is the failure rate per 10,000 firms each year since 1900:

Year	Failure Rate per 10,000	Year	Failure Rate per 10,000
1900	140	1928	120
1901	145	1929	128
1902	116	1930	152
1903	101	1931	143
1904	125	1932	161
1905	132	1933	136
1906	113	1934	90
1907	116	1935	78
1908	145	1936	71
1909	123	1937	55
1910	104	1938	58
1911	104	1939	72
1912	99	1940	64
1913	119	1941	49
1914	194	1942	36
1915	110	1943	11
1916	114	1944	6
1917	77	1945	6
1918	62	1946	7
1919	54	1947	15
1920	73	1948	23
1921	159	1949	27
1922	228	1950	32
1923	195	1951	36
1924	148	1952	37
1925	141	1953	44
1926	128	1954	57
1927	125	1955	55

As shown below, firms that started in 1954 had the highest death rate (16.5%). Those set up in 1953 accounted for 14.9%, while those established in 1952 accounted for 11.2% of last year's failures. Of all of 1955's failures, only 4.6% were businesses established during the year.

This means that 55.8% of the firms going under in 1955 were five years old or less. The first few years of operating a business, comments Dun & Bradstreet, are usually the most hazardous for that is the testing time of the ability, stamina and management instinct of the owner.

Starting Year	%	Starting Year	%
1955	4.6	1943	0.7
1954	16.5	1942	0.7
1953	14.9	1941	1.2
1952	11.2	1940	1.2
1951	8.6	1935-39	4.1
1950	6.0	1930-34	2.7
1949	5.8	1925-29	1.0
1948	5.0	1920-24	1.2
1947	3.2	1900-19	0.8
1946	4.8	Before 1900	0.1
1945	4.1		
1944	1.6	Total	100.0

Heading the list with the greatest number of failures last year was retail trade. Some 673 retailers closed shop, almost the same number as in 1954. Next came failures in the construction industry with 233 in 1955 as against 199 the year before. There were 212 mortalities in manufacturing (266 in 1954); 125 failures in wholesale trade (138); and 109 in commercial service (90).

Largest single group of failures last year took place in the restaurant business. The year before textile firms were hardest hit. Only wholesale supply houses were failure-free last year, whereas in 1954 supply houses, wholesale fuel suppliers and undertakers reported no failures.

Included in the groups showing the sharpest rise in failures from 1954 to 1955 were: wholesale farm product dealers; farm suppliers and general store operators; laundries; lumber retailers; automotive retailers; cleaners; hotels.

Those showing substantial year-to-year decreases in the number of failures included: textile manufacturers; food processors; manufacturers of forest products; leather and leather goods manufacturers; machinery makers; furniture retailers; building subcontractors.

In terms of dollar liabilities, retail trade headed the list with $15.2 million, slightly higher than the year before. Biggest change took place in the manufacturing group where 1954 liabilities came to $21.6 million, but dropping in 1955 to $8 million. Other liabilities: wholesale trade $4.6 million ($4.4 million in 1954); construction $7.4 million ($9 million); commercial service $2.8 million ($1.9 million).

Business in Quebec suffered the greatest number of failures, 787, in 1955 as was the case the year before (816). Then came Ontario with 368 (362); B. C. 76 (62); Manitoba 39 (33); Saskatchewan 29 (20). Liabilities in both Ontario and Quebec dropped last year. In 1955 Ontario failure liabilities came to $10.7 million as against 1954's $18.1 million while Quebec dropped to $18.6 million from $24.8 million.

Failures by Industry, Class, Province

Province	Manufacturing No.	Manufacturing Liab. $000	Wholesaling No.	Wholesaling Liab. $000	Retailing No.	Retailing Liab. $000	Construction No.	Construction Liab. $000	Commercial Service No.	Commercial Service Liab. $000	TOTAL No.	TOTAL Liab. $000
Newfoundland	..	....	2	161	10	476	1	10	2	133	15	780
Prince Edward Island	..	....	1	468	2	46	..	..	1	5	4	519
Nova Scotia	1	94	..	..	3	326	2	264	..	....	6	684
New Brunswick	2	133	..	....	7	269	5	408	..	....	14	810
Quebec	119	3,593	77	2,642	390	8,137	130	2,782	71	1,517	787	18,671
Ontario	62	2,452	31	885	173	3,948	77	2,800	25	618	368	10,703
Manitoba	8	177	7	370	18	471	5	448	1	12	39	1,478
Saskatchewan	4	482	2	25	15	392	4	466	4	39	29	1,404
Alberta	3	178	..	....	8	313	1	15	2	105	14	611
British Columbia	13	910	5	85	47	848	8	271	3	374	76	2,488
Total Canada	212	8,019	125	4,636	673	15,226	233	7,464	109	2,803	1,352	38,148

Here's Why They Failed

ALL LINES OF BUSINESS Number	%	UNDERLYING CAUSES	
28	2.1	Neglect	Due to:
4	0.3	Fraud	On the part of the principals, reflected by:
84	6.2	Lack of experience in the line	Evidenced by inability to avoid conditions which resulted in:
532	39.4	Lack of managerial experience	
403	29.8	Unbalanced experience	
288	21.3	Incompetence	
11	0.8	Disaster	Some of these occurrences could have been provided against through insurance:
2	0.1	Reason unknown	
1,352	100.0	Total	

ALL METHODS OF OPERATION APPARENT CAUSES	Number	%
Bad Habits	5	0.4
Poor health	20	1.5
Marital Difficulties	—	—
Other	3	0.2
Misleading Name	1	0.1
False Financial Statement	2	0.1
Premeditated Overbuy	1	0.1
Irregular Disposal of Assets	—	—
Other	—	—
Inadequate Sales	504	37.3
Heavy operating Expenses	144	10.7
Receivables Difficulties	192	14.2
Inventory Difficulties	136	10.1
Excessive Fixed Assets	145	10.7
Poor Location	167	12.4
Competitive Weakness	305	22.6
Other	35	2.6
Fire	9	0.6
Flood	1	0.1
Burglary	—	—
Employees' Fraud	—	—
Strike	1	0.1
Other	—	—

Because some failures are attributed to a combination of apparent causes, the totals of these columns exceed the totals of the corresponding columns on the left.

Record By Groups

	—1953— Number	—1953— Liabilities ($000)	—1954— Number	—1954— Liabilities ($000)	—1955— Number	—1955— Liabilities ($000)
TOTAL CANADA	1,039	30,304	1,381	52,017	1,352	38,148
MANUFACTURING						
Foods	12	705	26	1,014	12	260
Textiles	62	2,810	83	7,320	77	3,218
Forest Products	42	1,327	58	3,736	37	1,506
Paper, Printing, Publishing	7	147	12	372	14	216
Chemicals and Drugs	3	254	6	138	3	157
Fuels	2	586	6	814	3	119
Leather & Leather Products	5	94	11	3,051	10	377
Stone, Clay, Glass & Prods.	2	35	7	513	4	128
Iron and Steel	7	1,132	8	658	8	385
Machinery	8	445	16	2,387	14	671
Transportation Equipment	2	262	6	242	4	165
All Other	33	1,146	27	1,352	26	817
Total Manufacturing	185	8,943	266	21,597	212	8,019
WHOLESALE TRADE						
Farm Prods., Foods, Groc.	19	616	24	908	31	1,857
Clothing & Furnishings	4	125	8	425	6	211
Dry Goods and Textiles	13	929	24	707	11	905
Lumber, Bldg. Mtls., Hdwe.	10	609	9	289	11	479
Chemicals and Drugs	5	216	6	105	4	59
Fuels	..	....	..	....	1	43
Automotive Products	3	66	6	235	5	89
Supply Houses	..	....	..	....	..	....
All Other	31	1,044	61	1,725	56	993
Total Wholesale Trade	85	3,605	138	4,394	125	4,636
RETAIL TRADE						
Foods	117	1,419	121	1,506	130	1,660
Farm Supplies, Gen. Stores	30	634	22	344	24	702
General Merchandise	25	446	32	584	19	337
Apparel	78	1,442	116	2,305	119	2,496
Furniture, H'hold Furnish'gs	64	2,716	116	3,311	79	1,998
Lumber, Bldg. Mtls., Hdwe.	35	573	33	739	45	1,248
Automotive Products	85	3,287	109	3,768	94	4,283
Restaurants	71	604	76	1,134	95	1,164
Drugs	7	83	10	78	10	139
All Other	56	575	53	1,233	58	1,199
Total Retail Trade	568	11,779	688	15,002	673	15,226
CONSTRUCTION						
General Contractors	59	2,028	86	3,953	115	3,766
Carpenters and Builders	7	166	11	377	10	102
Building Sub-Contractors	74	1,931	97	3,508	103	2,923
Other Contractors	2	352	5	1,192	5	673
Total Construction	142	4,477	199	9,030	233	7,464
COMMERCIAL SERVICE						
Cleaners, Dyers, Tailors	7	51	11	88	18	368
Haulage, Buses, Taxis, etc.	13	322	34	1,027	34	836
Hotels	6	92	6	273	17	541
Laundries	2	8	2	125	4	514
Undertakers	3	564	..	....	3	72
All Other	28	463	37	481	33	472
Total Commercial Service	59	1,500	90	1,994	109	2,803

Company Report

Insurance

INSURANCE CO., OF NORTH AMERICA, headquarters Philadelphia, and its affiliated companies Philadelphia Fire and Marine and Indemnity Insurance Co., of North America operating income after taxes amounted to $21,279,000, fractionally higher than 1954's $21,180,000 and considerably above the average in the last five years.

Premium writings of the fire companies came to $166.9 millions, up $13 millions from 1954. Indemnity Company wrote $102.7 millions, $5.7 millions higher than the year before. Statutory underwriting profit of all companies amounted to over $4.7 millions, of which over $4 millions was earned by the Indemnity Company.

Ratio of losses to premiums earned were: Insurance Co. of North America 56.2%; Indemnity Insurance Co. of North America 60.2%; Philadelphia Fire & Marine 54.5%.

Assets of the companies at year end amounted to $820.3 millions, up from the year before's $726.4 millions. Policyholder's surplus rose $66.5 millions to reach $430.7 millions. Investment income before taxes amounted to $23 millions, an increase of $2.1 millions over that of 1954.

While a year ago the company reported losses arising out of hurricane damage amounted to $13.5 millions, another $2.3 millions in losses were reported before 1954 books were finally closed, stated John A. Diemand, president. Such losses in 1955 came to $4.5 millions.

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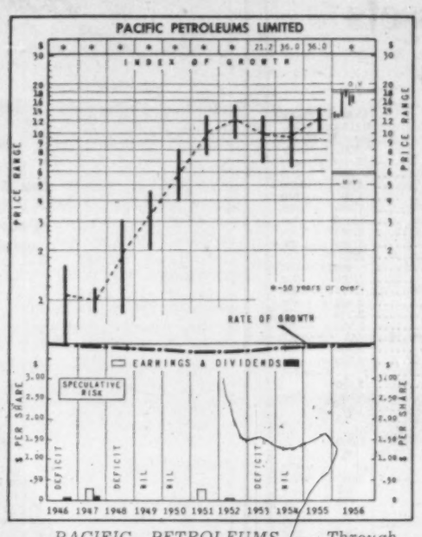
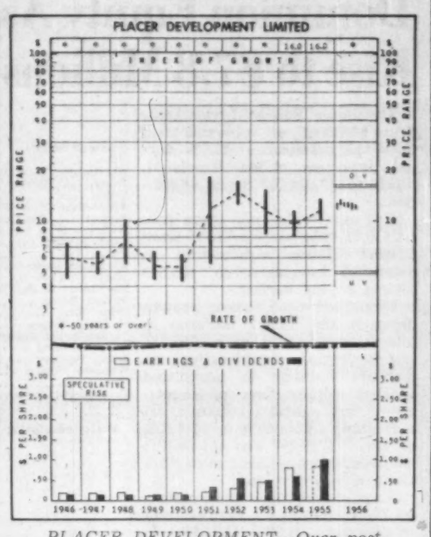
Selected Growth Stocks — Quarterly Review — By NESTOR

The Financial Post's exclusive series of Selected Growth Stocks was chosen by one of the continent's most prominent and successful investment advisers. The reasons for choice shown below the accompanying charts were those given when stocks were chosen in January 1953. Each will be reviewed quarterly. Publication of this series in The Post does not constitute a recommendation to buy these stocks.



PACIFIC PETROLEUMS — Through heavy reinvestment of income in exploration and development of oil and natural gas exported to the United States, Pacific Petroleums appears to offer an eventual high earnings return.



PLACER DEVELOPMENT—Over post-war years, Placer has diversified its investments and eventual substantial increase in earnings is expected from the base metal, tungsten, and oil operations in various areas throughout the world.

How To Read Stock Charts

INDEX OF GROWTH: The rate at which the value of the equity behind the stock is doubling as determined by the growth rate at which it entered the year. A figure of 5.6 for the present year would indicate that at its current growth rate the equity value is doubling every 5.6 years.

Price RANGE: The annual high, low and mean price. Monthly ranges for the current year.

UNDERVALUATION AND OVER-VALUATION PRICE LEVELS: Shown by the narrow horizontal lines above and below the stock's price range indicating price at which the particular stock is adjudged as underestimating or overestimating its future rate of growth. A stock showing a fast-growth rate will sometimes anticipate growth by two or three years. In this case it may not be so attractive a purchase relatively as some other fast-growing stock that is not anticipating its growth beyond the immediate present. Other factors such as rate of growth and investment quality will also enter into the comparison an investor will want to make.

Without these UV and OV levels, a current quotation of say, 55 or 75 would carry no significance regarding long-range value. The UV/OV levels also permit judgment as between one stock and another. They are not designated points of purchase or sale nor do they attempt to show what will be a stock's bottom or top figure in any given year.

RATE OF GROWTH: the rate as based on Nestor's tests at which the company is showing underlying or long-term growth. This will determine the price trend of the company's common stock over a period of years and in most instances the trend of dividend payments.

**Background and principles behind the selection by Nestor were discussed in a special article in The Financial Post., Jan. 10, 1953. A limited number of reprints are available on request.*

Pacific Pete.

Pacific Petroleums trading at recent $17¼ is 188% above UV level ($6) and could rise another 4% before touching OV level ($18). No dividends are being paid. Earnings of 14c a share after write-offs reported for the year ended February 28. Price range so far this year is a high of $18¼ and a low of $12⅛.

Annual report issued recently comments on successful completion of plans on which the company has been working for years. Westcoast Transmission, in which 22½% equity held, has been financed to the entent of $155 millions and construction of the line is under way. U. S. has authorized import of 300 million cu. ft. natural gas daily.

Shareholders this week will consider increase in authorized capital to 10 million shares from five million. Reason for this increase is to offer minority shareholders of Peace River Natural Gas, Pacific Petroleums shares so that holdings of both companies can be consolidated.

Westcoast Transmission has some four trillion cu. ft. of natural gas reserves available with Pacific Petroleums holding one trillion in the Peace River area.

Pacific Petroleums has stepped up drilling program with plans for 70 to 100 development wells. Construction has started on a plant to refine natural gas by-products near Fort St. John and the company has a 27½% interest in a 375,000 acre block in Coalspur region where high gravity oil has been found.

Placer

Placer Development, trading recently at $12⅜ is up about 147% from UV level ($5) and could climb another 30% before touching OV level ($16). Yield is 8.1% based on 1955 payments of $3 a share. ($1 a share on present stock after three-for-one split) which included an extra of $1 on old shares. Price is 15.6 times earnings of 79c a share in year ended April 30, 1955. Price range so far this year is a high of $13¾ and a low of $12 (on split shares).

Company recently paid a dividend of 50c a share — first since stock was split. President has said that a dividend rate of $1 a share may be possible in year ended April 30, 1957 but warned that this should not be taken as an indication that a dividend policy on that basis has been established.

Recent report of subsidiary and associated company operations showed:

Bulolo Gold Dredging production in nine months ended Feb. 29 was $1,015,770 from 8,908,700 yards dredged which yielded 29,-022 fine ounces gold. In the same period last year, production was valued at $1,590,980 from 11,454,-150 yards which yielded 45,628 ounces.

Pato Consolidated Gold Dredging production was up at $1,651,-615 in the three months ended March 31 from $1,580,600 in the same period last year. Yardage dredged, 6,595,000 (7,286,500) and ounces of fine gold produced, 47,-189 (45,160). **Asnazu Gold Dredging** production in quarter ended March 31 was $154,945 ($77,805 a year ago) from 271,300 yards (265,200) which yielded 4,427 ounces gold (2,223).

Coronet Oil completed two wells in Scurry County, A test well in Coke County, Texas, proved uncommercial. At **Canadian Exploration,** combined operating profit in the six months ended Feb. 29 from lead-zinc and tungsten operations is estimated at $2,235,844. After depreciation of $661,261 and $573,000 for taxes, estimated net profit is $1,001,583. An interim dividend of $1.70 a share totaling $5,351,600 was declared and paid to Placer on March 16 so that designated surplus might be fully distributed before the close of the Placer year.

Company Report
Beverages

T. G. BRIGHT & CO., Niagara Falls, Ont., consolidated net profit for the year ended March 31, 1956 was $275,093, 5.1% higher than net profit of $261,647 in previous year.

Canadian wine market appears to be growing and company again increased its share, reports President Earl A. Thomas.

Net dollar sales rose by $203,000, license amortization increased $42,-000, and inventories were $206,000 higher chiefly due to expansion of premium wine inventories.

Bright released a substantial quantity of Solera Sherry last fall and has built inventories to position where it should be able to maintain a year-round supply.

Bank loan rose by $35,000 due to capital expenditures and inventory expansion.

Expenditures included a specially equipped building for production of a new wine (Winette) and extensive alterations at company's downtown Toronto retail store. Vineyard development accounts for major portion of farm property additions. Depreciation has been provided at maximum (as in previous year) permitted under income tax regulations.

Bright brought in many new varieties of grape vines to Canada for first time and is continuing its research and grape development program. It also has under way a hybrid development program in its own nurseries but this is a long-term project.

In April this year company placed Winette, a low alcohol content wine, on Ontario market. Company is testing this new product in Ontario before undertaking plant expansion necessary to supply Canadian market.

Bright expects to make another offering of President Muscatel this year and to continue a limited supply until 1958, after which it should be able to increase this brand's sales.

T. G. BRIGHT & CO., LTD.
CONS. INCOME ACCOUNT

Years Ended Mar. 31:	1956	1955
Net sales	$3,897,887	$3,695,818
Net earnings	811,820	758,322
Less: Depreciation	142,683	153,622
Interest	23,644	20,853
Income taxes	370,400	322,200
Net profit	275,093	261,647
Less: Pref. divds.	115,000	115,000
Surplus for year	160,093	146,647
Earnings per Share and Dividend Record:		
Preferred	$2.75	$2.62
Paid	1.15	1.15
Common	1.60	1.47
None paid.		

CONDENSED CONS. BALANCE SHEET

As at Mar. 31:	1956	1955
Cash	$46,344	$24,377
Accts. rec.	$449,678	$446,345
Mtge. rec.		
Inventories	2,482,191	2,275,720
Total curr. assets	2,978,213	2,746,442
Misc. assets	256,788	393,354
Fixed assets*	1,424,721	1,330,198
Total assets	4,659,722	4,469,994
Bank loans	440,174	405,157
Accts. & tax. pay.	434,131	439,513
Total curr. liab.	874,305	844,670
Capital stock	2,800,000	2,800,000
Surplus	985,417	825,324
*After depr. of	1,584,467	1,471,365
Working capital	2,103,908	1,901,772

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Company Reports
Merchandising

CANADIAN TIRE CORP., Toronto, net profit for 1955 was 25.1% higher than net profit for 1954 ($1,-250,060 against $999,595).

Sales increase of 24.5% and earnings both set new records, reports President J. W. Billes.

Company spent $491,941 ($495,430 in previous year) on additions and improvements to buildings. It spent $55,271 on acquiring land and $114,-889 on machinery and equipment.

Sales volume to date this year compares favorably with corresponding period last year and company expects another successful year.

INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Net earnings*	$2,574,065	$2,226,248
Less: Deprec.	150,958	107,987
Income taxes	1,173,047	1,118,666
Net profit	1,250,060	999,595
Less: Divds.	151,820	163,202
Surplus for year	1,098,241	836,393
Earnings per Share and Dividend Record:		
Preferred	$17.94	$12.20
Paid	1.00	1.00
Common	11.68	9.06
Paid	0.60+0.10	0.60+0.10

*Based on number of shares o/s at year end.

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$2,786,392	$1,880,912
Invests.†	781,532	1,277,051
Accts. rec.	962,398	977,883
Invent.	*2,445,892	*1,897,104
Total curr. assets	6,976,314	6,033,950
Mtge. rec.	64,060	47,900
Misc. assets	.....	1,000
Fixed assets‡	2,581,709	1,991,209
Total assets	9,291,983	8,073,059
Accts. pay. & acc. chgs.	2,614,564	2,306,084
Inc. taxes	662,060	676,351
Total curr. liabs.	3,276,624	2,982,435
Capital stock	1,498,800	1,743,400
Capital surplus	1,159	4,039
Earned surplus	4,515,400	3,343,185
†Mkt. value	1,341,204	1,774,439
‡After depr. of	638,047	487,089
*After reserve of	350,000	225,000
Working capital	3,399,590	3,050,515

Food

GENERAL FOODS LTD., Toronto, has completed a new 90,000 sq. ft. building at its manufacturing plant in Cobourg, Ont.

Addition was one of the most important developments in the whole expansion program of General Foods Corp., New York, it is stated.

Purpose of building is to meet the increased demand for company's gelatin desserts, instant and regular puddings marketed under the Jell-O trademark and a powdered soft drink known as Kool-Aid.

General Sea Foods Ltd., a subsidiary of the U. S. parent firm, recently announced plans to sell its Halifax facilities to National Sea Products Ltd., a subsidiary of Ocean Fisheries Ltd., both of Halifax. Sale does not include facilities of Canadian Birds-Eye.

General Foods spent $25 millions in Canada during the fiscal year ended March 31, 1956, of which $3.2 millions was for wages and salaries.

Parent company's consolidated net profit for the year ended March 31, 1956, was 23% higher than in previous year ($39 millions against $31.7 millions) and net sales were 12.9% higher ($931.1 millions against $824.8 millions). Earnings per common share rose to $6.62 from $5.29.

UNION ACCEPTANCE CORP. during May issued 20 participating non-voting second preferred shares and 20 common shares as result of exercise of debenture A warrants. Now 189,852 second preferred shares and 199,852 common shares outstanding.

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THE INVESTMENT FUNDS

Dominion Equity Assets Rise to $7.8 Millions

Dominion Equity Investments Ltd., Montreal, an open-end trust fund, net assets rose 22.6% during the year ended March 31, 1956, to $7,824,737 from $6,382,956.

Net asset value per share rose to $15.32 from $13.14. There were 510,628 shares outstanding at year-end compared to 485,649 shares a year earlier.

Fund achieved asset growth through the 24,979 increase in shares outstanding for a $356,534 net aggregate consideration, an $810,894 increase in unrealized market appreciation of investments, and surplus accounts net accretions amounting to $274,353, of which $243,047 was net profits realized on investment sales, says Chairman Andre Istel.

At year-end funds were invested 77.13% (74.09% a year earlier) in commons, 14.23% (15.78%) in preferreds, 6.77% (9.32%) in bonds and 1.87% (0.81%) in cash etc.

During the 12-month period Dominion Equity:

—Added five commons, five preferreds and six bonds.

—Eliminated three commons, four preferreds and eight bonds.

—Increased 29 commons, and eight preferreds.

—Reduced 16 commons and one bond.

Here are the changes in detail:

	Shares Held at Mar. 31 1956	Change Since Mar. 31 1955
Common Stocks		
Power Corp.	3,000	+500
Shawinigan W. & P.	800	—200
South. Can. Power	1,500	+820
Union Gas	1,000	—900
Anglo-Cdn. P. & P.	1,500	+1,000
Anglo-Nfld. Develop.	5,000	+1,000
Bathurst P. & P., A	3,000	+1,500
Cons. Paper	2,000	+1,000
Fraser Cos.	3,700	+200
Gt. Lakes Paper	400	+400
Maclaren P. & P.	1,000	+325
MacMillan & Bl., B	2,000	—1,000
Powell River	2,000	—400
Price Bros.	2,275	+75
H. Smith Paper	2,500	—200
St. Lawrence Corp.	....	—1,000
Cdn. Celanese	2,500	+700
Dom. Textile	6,000	+400
Wabasso Cotton	....	—4,700
CPR	3,500	....
Famous Players	4,000	+500
Southam Co.	1,500	....
Windsor Hotel	725	....
Preferred Stocks:		
Acadia-Atlantic ... $1.20 A	2,600	....
Anglo-Cdn. P. & P., $2.80	625	....
Argus Corp., 4¼%	....	—700
Blue Ribbon, 5%	1,000	+500
B. C. Electric, 4%	535	....
Do. 5%	775	....
Can. Steamship, 5%	3,000	+3,000
Cdn. Breweries, 5%	....	—150
Cdn. Celanese, $1.75	2,000	+300
Cdn. Int. Invest., 5%	1,092	+102
Dom. & Anglo Invest., 5%	1,058	+100
Dom. Scot. Invest., 5%	2,150	+90
Dom. Tar & Chem., $1	1,000	....
Federal Grain, $1.40	3,000	....
Gordon Mackay, A	5,000	+400
Ind. Accept., 4½%	500	+500
Invest. Foundation, 6%	....	—315
London Cdn. Invest., A	825	....
Maple Leaf Milling, 5%	500	+125
Massey-H.-Ferg., 4½%	300	....
Nat. Grocers, $1.50	....	—600
Ont. Jockey, 5½%	2,000	+2,000
Reynolds Aluminum, 4¾%	300	+300
South. Can. Power, 6%	750	+195
United Corps., A	500	+500

	Amount $	Change $
Bonds:		
Alberta, 3%/55	....	—15,000
Algoma Ur., 5%/61	20,000	+20,000
Bicroft Ur., 5%/62	20,000	+20,000
B. C., 4½%/55	....	—12,000
Do., 2¼%/55	....	—50,000
Do. 2¼%/56	125,000	+125,000
Do., 2%/57	250,001	—250,000
CNR, 4¾%/55	....	—100,000
Con. Denison M., 5%/62	25,000	+25,000
Grand Trunk, 4%/55	....	—2,000
Gunnar M., 5%/60 ex. wts.	....	—25,000
City of Montreal, 2¾%/55	....	—30,000
Do. 2⅞%/56	11,000	....
N. Brunswick, 3¼%/57	10,000	+10,000
Ontario, 4½%/55	....	—15,000
Do., 3%/59	50,000	....
Quint. Leaseholds, 5%/88	25,000	+25,000

*Stock split.

Call For Aid For N.S. Coal Exports

MONTREAL (Staff) — Unless the Nova Scotia coal industry is subsidized, exports to European markets may be lost. This was the tenor of a statement by L. A. Forsyth, president of the Dominion Coal, at the company's annual meeting, this year held for the first time in Halifax, N.S.

With the present cost pattern and prevailing ocean rates, he said, the European market cannot be made available without subvention aid, and unless forward commitments for such assistance is obtained, long term contracts abroad cannot be undertaken.

Rapidly increasing consumption of hydro-electric energy in Canada and the consequent diminution of its potential of supply might, he noted, encourage the belief that thermal power must experience a greater demand than heretofore.

Developments in New Brunswick's new mining area has alerted company to the possibilities for the use of coal which are inherent in that situation.

Pending the outcome of intensive studies of the proposals and forecasts of the New Brunswick Power Commission, it was difficult to make worthwhile predictions as to the place of coal in this development, he said.

Impact of the St. Lawrence waterway and the transCanada pipeline on the Nova Scotia coal mining industry, while hard to appraise, appears to offer somewhat alarming possibility of increased competition in company's upper Canadian markets.

Up to April this year, 174,845 net tons of slack coal were shipped to the U. K. with a further 50,000 tons booked for shipment up to June. The German market has so far been unfavorable with less than 2,500 tons explored there. Current negotiations may result in some improvement in sales to Germany.

Company's production for 1955 at 4,237,596 net tons was 38,817 tons higher than the previous year. Sales at 4,580,155 net tons were 489,363 tons higher.

Net profit was $147,490, or 35 cents per common share, compared with a loss of $413,928, or $1.51 per common share, in previous year.

During the year company retired $500,000, principal amount of its 3½% first mortgage serial bonds.

Continuing with its mechanization program, company expects to spend $1,291,678 for mechanization in mines this year. Mechanization made "reasonable progress" during 1955. Company hopes to start construction of the wash plants in the immediate future.

Company Report

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Merchandising

NATIONAL GROCERS LTD., Toronto, net profit for the year ended March 31, 1956, was 1.9% lower than for previous year ($560,671 against $571,377).

Expenses, largely labor costs, again increased while percentage gross profit on sales declined. However, large sales increase, to second highest level in company history, offset these unfavorable factors and kept earnings at approximately same level, reports President H. L. McNally.

INCOME ACCOUNT

Years Ended:	Mar. 31 1956	Apr. 2 1955
Net earnings	$1,377,967	$1,379,618
Less: Deprec.	287,559	280,955
Int. (net)	34,737	21,286
Inc. tax res.	495,000	506,000
Net profit	560,671	571,377
Less: Pref. divds.	213,435	213,435
Com. divds.	177,511	177,511
Surplus for year	169,725	180,431
Earnings per Share and Dividend Record:		
Pref.: Earned	3.94	4.02
Paid	1.50	1.50
Com.: Earned	1.17	1.21
Paid	0.60	0.60

CONDENSED BALANCE SHEET

As at:	Mar. 31 1956	Apr. 2 1955
Cash	204,000	209,968
Accts. rec., etc.	3,059,720	2,828,126
Inventories	7,206,676	6,899,462
Total curr. assets	10,470,396	9,937,576
Prepd. & def. chgs.▲	62,495	81,350
Fixed assets†	2,414,757	2,475,344
Total assets	12,947,648	12,494,270
Accts., taxes pay.	3,107,113	3,238,096
Bank overdft.	1,253,136	565,002
Total curr. liab.	4,360,249	3,803,098
Conting. res.	250,000	250,000
Capital stock	3,141,652	3,141,652
Inventories	1,026,038	1,026,038
Surplus	4,892,766	3,723,041
†After depr. & land val. adjust. of	2,737,165	2,566,136
▲Incl. in curr. assets in co's report.		
Working capital	6,110,147	6,134,478

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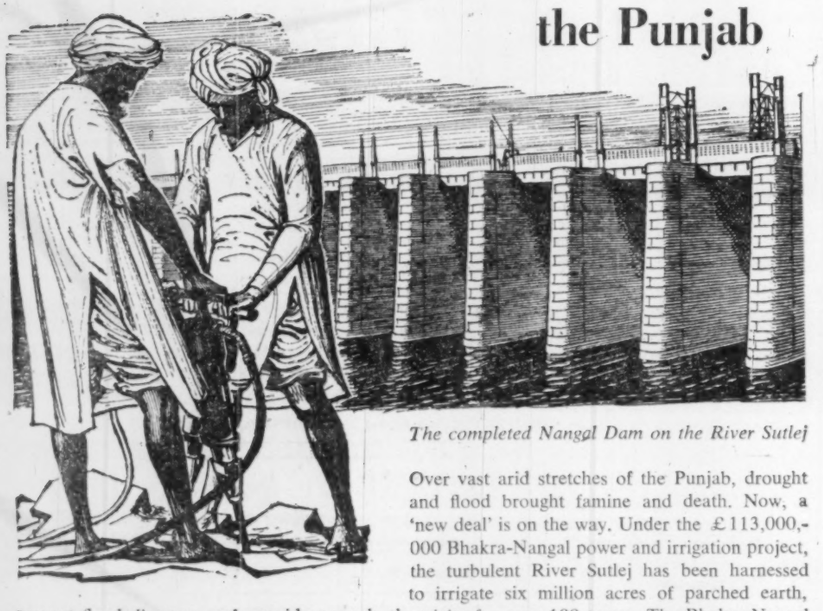

The completed Nangal Dam on the River Sutlej

Over vast arid stretches of the Punjab, drought and flood brought famine and death. Now, a 'new deal' is on the way. Under the £113,000,000 Bhakra-Nangal power and irrigation project, the turbulent River Sutlej has been harnessed to irrigate six million acres of parched earth, prevent flood disasters and provide enough electricity for over 100 towns. The Bhakra-Nangal project means an immense construction programme. The huge, 680-foot-high Bhakra Dam on the Sutlej—one of the highest ever planned. A smaller dam, the Nangal, eight miles downstream. Five power plants. A 3,000-mile net work of canals. New roads, railways and towns. With compressed air equipment, the project is taking shape. Atlas Copco rock drills and air compressors are in action drilling tunnels, excavating dam sites and building mountain roads to raise life above the existence level for millions in the Punjab.

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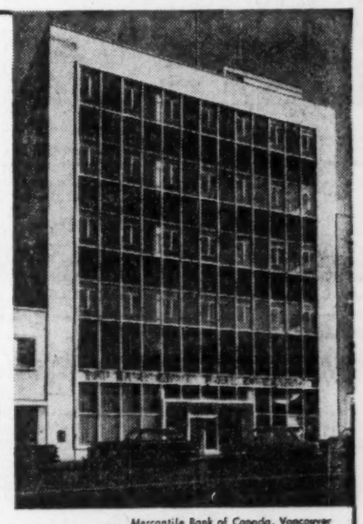

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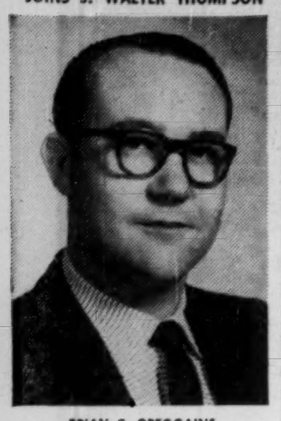

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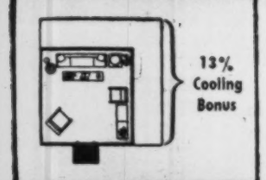

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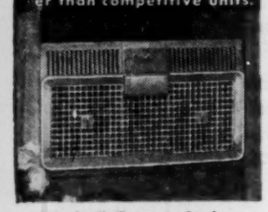

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Railway Fireman Obsolete On A Diesel, Says CPR

MONTREAL (Staff) — Today's diesel locomotives have made a fireman's duties obsolete, says the Canadian Pacific Railway.

While dieselization of the CPR is still incomplete, removal of firemen from diesels on yard a. i freight service and reclassification of firemen to "diesel helpers" on passenger diesels would lop some $5 million off the railway's annual wage bill.

When CPR dieselization nears completion in 1961, the saving would amount to about $10.7 million yearly.

This is the determined stand against "featherbedding"—or the make-work principle — that CPR is taking in contract negotiations with the Brotherhood of Locomotive Firemen and Enginemen, one of the three running trades.

Main arguments were put forward at conciliation board hearings in Ottawa.

The Union is seeking a 25% increase in current rates.

Its Canadian chief, William E. Gamble, earlier this week was reported as saying there is "serious danger" of a strike by his Union against the CPR.

CPR is alone in its current stand against "featherbedding."

Recently, Canadian National Railways and the Union agreed on a two-year contract which granted an 11% increase and other benefits to the firemen and enginemen but made no provision for removing firemen from diesels.

The CPR contends its case rests on two fundamental principles: (1) The right to take full advantage of technological progress and (2) to pay wages only when service is performed.

It asserts that firemen on diesels in yard service are unnecessary, as is the case in freight service where the head trainman rides in the engine cab. On passenger diesels an unskilled diesel helper can perform equally well the simplified duties.

The railway estimates that a 25% increase plus other Union demands would cost an additional $3.8 million per annum, plus substantial extras in view of a new pension-benefit proposed by the Union.

The Company says the firemen are presently in the top-pay industrial bracket and quotes figures to show that passenger firemen now receive average hourly earnings greater than those in many more responsible positions. This, it says, is despite the fact that introduction of diesel power has removed the physical labor and technical skill formerly required of firemen and reduced a firemen's duties to duplication of work done by other crew members.

The conciliation board is chaired by Judge J. C. Anderson, Belleville, Ont. Company nominee is E. M. Hall, of Saskatoon, Union representative is A. W. Roebuck, of Toronto.

Holders Settle In St. Law. Stock Battle

MONTREAL (Staff)—An amicable settlement has been reached in the year-long battle over a proposal to liquidate the International Milling Co. controlled St. Lawrence Flour Mills Co. and sell its assets to Robin Hood Flour Mills Ltd., another International Milling subsidiary.

Settlement came after International Milling bought out the largest group of holders of St. Lawrence's $100 par cumulative, noncallable preferred shares at $107 per share. A similar offer, valid until July 31, is being made to the remaining preferred share holders.

The premium for purchase of the stock, $7, represents one year's dividends.

As a result of the settlement, bylaws facilitating the liquidation and sale of St. Lawrence were approved unanimously at a special meeting of shareholders held in Montreal this week. Sale of assets to Robin Hood will take place on June 30 at a price of the book value of the assets on that date.

Proceeds of the sale will be deposited with the National Trust Co., trustee for the shareholders, to be distributed to shareholders in accordance with their respective rights. Preferred shareholders will receive par value of their respective shares and unpaid dividends thereon, accrued to the date of deposit.

Any preferred shareholders may, however, sell their preferred shares to International Milling Co. at any time up to July 31 for $107 per share, and thereby realizing more than from the distribution in liquidation proceedings.

The proposal to liquidate St. Lawrence was originally slated to go before shareholders one year ago. However an injunction brought on behalf of the preferred holders by G. G. Ryan and other partners of L. G. Beaubien & Co. stayed action on the matter. On March 12, this year the injunction was set aside by the Quebec Court of Queen's Bench.

The preferred holders contended the company — virtually all common shares of which are owned by International Milling—was trying to accomplish indirectly through the liquidation what it could not do directly—redeem the noncallable preferred shares and at par.

They contended St. Lawrence was solvent and operating at a profit and thus there was no reason why the company should be liquidated.

When the matter came up last year, P. M. Peterson, president of St. Lawrence and a vice-president of International Milling, termed St. Lawrence's earnings as unsatisfactory. He stated the best way of effecting economies would be to bring St. Lawrence and Robin Hood Milling under one management.

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$11.5 Million Montreal Trans. Commission Bond Issue Sold

MONTREAL (Staff)—An issue of $11.5 million 4¾% Montreal Transportation Commission 20-year sinking fund bonds has been sold on the New York market.

Price to the public in New York is $98.362 yield of 4½% and cost to the Commission is $96.40 or 4.649%, all U. S. funds.

Offered earlier on the Canadian market, a single bid for the $11.5-million issue by three syndicates comprising 37 investment firms and banks was turned down on May 29 by the Commission, which termed the cost "too high." Price offered at the time was $91.75 or net cost to the commission 5.167%, an over-all cost of 5.51%.

The current offering is by a New York syndicate headed by Shields and Co., Halsey, Stuart & Co., and Savard & Hart.

The bonds are not callable for the first five years, and thereafter at prices ranging from $102 downward. The sinking fund which comes into operation at the end of the first year, will be used to redeem at par $402,500 principal amount of the issue annually.

Increased tram and bus fares which went into effect early in December last year have enabled the M.T.C. to show a surplus of $894,000 in the five months ended April 30, 1955. This compares with a deficit of $218,000 in the similar period last year.

The fare increase raised the price of adult tickets from 10c to 12.5c and children's tickets from 4.17c to 5c. The City of Montreal has appealed these tariffs before the Provincial Public Service Board. The Board's ruling is expected to be handed down shortly.

The M.T.C.'s operating revenue for the five months ended April 30 was $14,855,000, and aggregate revenue was $14,915,000. Operating expenses totaled $14,021,000. This compares with $13,115,000 in aggregate revenues and $13,333,000 in expenses in the corresponding period of 1955.

The operating revenues represent an increase of 13.97% over the corresponding period last year. It is noted, however, that the period this year comprised 152 days, one more than in 1955.

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ANNOUNCEMENT

Dominion Bridge Appointments

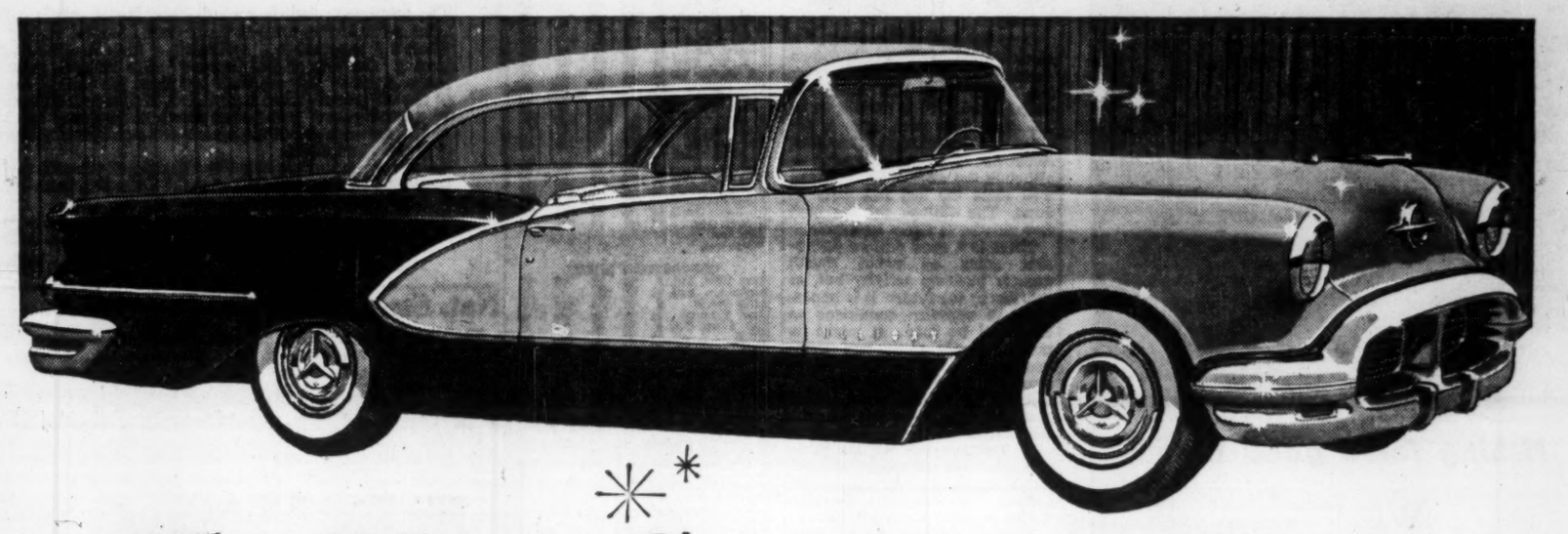
E. A. FORD

M. McMURRAY

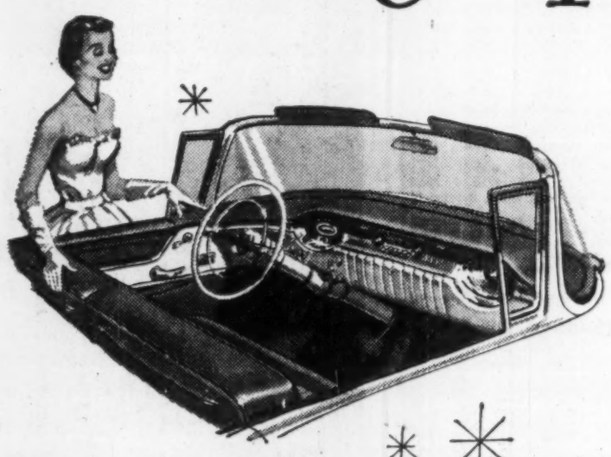
R. J. A. FRICKER

P. E. SAVAGE

Four new appointments to the head office staff of Dominion Bridge Company Limited, Lachine, P.Q., have been announced. All will hold the position of assistant to the vice-president and managing director. Mr. Ford was formerly contract engineer, western division, Winnipeg; Mr. McMurray was sales manager, Ontario Division, Toronto. Mr. Fricker was formerly production manager, Pacific division, Vancouver; and Mr. Savage was erection manager, eastern division, Lachine.



The Many-Splendored Thing...



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And this Oldsmobile splendor is not a sometime thing. From the moment you proudly take possession until that distant day when you decide to trade it in on an even more exciting Olds of the future, you'll keep discovering new splendors in this unusual car. And you'll keep reflecting all the while how wise you were in 1956 to step up from the ordinary into an Oldsmobile.

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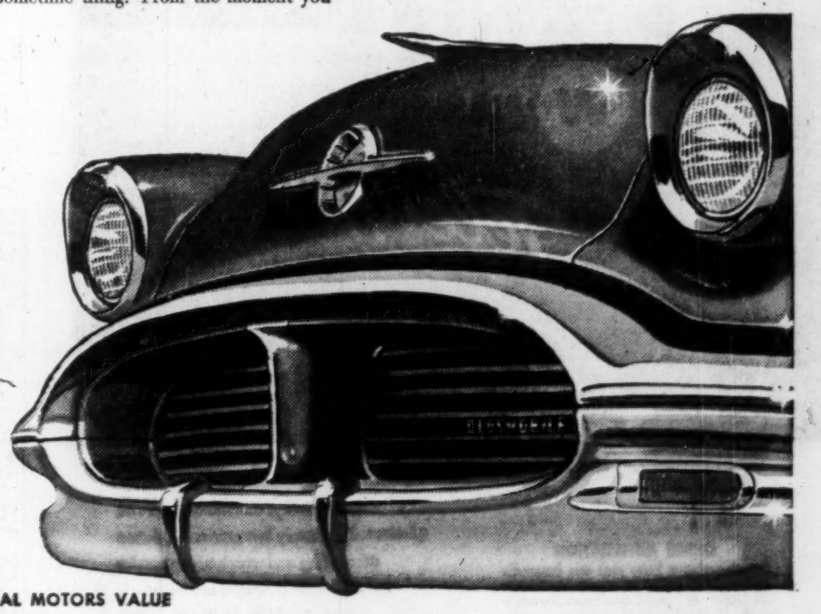

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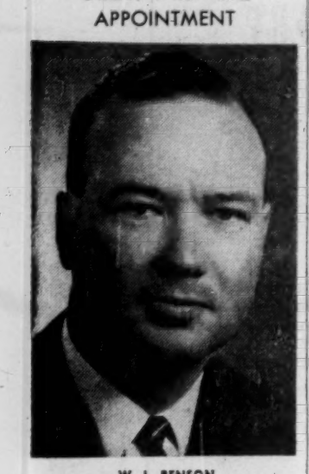

W. L. BENSON

W. L. Benson, formerly Group Supervisor for Manitoba and Northwestern Ontario, has been appointed Group Superintendent at the Head Office of The Great-West Life Assurance Company, Winnipeg, it was announced by D. E. Kilgour, General Manager.

In his new position, Mr. Benson will assist Stefan Hansen, Director of Group Insurance, in coordinating group sales activities and group policyholder relations. He will maintain close contact with the Company's expanding group sales and service organization throughout Canada and the United States.

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Market Comment

What stocks and bonds are doing and what prominent observers say

With negotiation time running out all market eyes this week were glued on the U.S. steel wage dispute. Developments over the next few days will measure the near-term direction of the market. Hopes of a last-minute compromise settlement were high at midweek. Even if a strike is called experts think it will be a short one.

The pattern established in steel wage negotiations in U.S. will have a major impact on the Canadian steel wages picture. Canadian steel contracts are rarely signed until after settlement in U.S.

There is little doubt that the increased trend toward "rights" financing among leading Canadian industrial, petroleum and mining companies is drawing off a substantial supply of funds that might otherwise come into a broad range of Canadian stocks. With current financing market such as it is this trend is expected to continue for some time yet.

* * *

J. R. SHEMILT: Gardiner, Annett (Toronto)

During the first six months of this year demand for credit on all fronts has continued at a high level. Ability of chartered banks to cope with their share of the demand for loans has been aggravated at least up until mid-May by the necessity of bringing secondary reserves into line. These factors led to two waves of heavy selling of government securities by the banks—one late last year and one ending about six weeks ago.

In addition, funding of bank loans by some corporations plus heavy offerings of new securities by all classes of borrowers led to to steep dip in bond prices in the period February to mid-May.

Since then, chartered banks with their reserves on the average in order have been able to ease up on their selling program, new offerings have temporarily lightened, and a substantial volume of municipal and provincial borrowing has been done in the United States. This has produced a recovery during June of about three quarters of the losses suffered in the first five months.

It would appear, however, that this recovery may be short-lived. Mid-year surveys now reveal that scheduled expenditures for plant and equipment are at an even higher rate than predicted earlier indicating that the flow of new security offerings will increase. "Rights" offerings by major corporations are siphoning off funds that might otherwise have come into the bond market.

The American dollar continues to decline in relation to the Canadian dollar thus rendering the American market less attractive to Canadian borrowers. Correspondingly the discount on the American dollar narrows substantially the spread in yield between long-term Canadian and American bonds thus making offerings of bonds payable in Canadian funds less acceptable to American investing institutions.

Therefore bond prices particularly in the longer maturities may be under steady pressure for some time with recoveries dependent to a considerable degree on lightened new issue activity.

* * *

KIPPEN & CO., INC. (Montreal)

Over the past half-century, the stock market has generally shown strength during the summer season. This does not mean, of course, that such is certain to be the case. This year, after a decided fall during May, it has been somewhat dull and irregular — although the market has behaved well since the last test early in June. The outlook for the next few months is fairly favorable.

There is a good deal of discussion going on about fourth quarter business activity but, as this lies in the future, it is impossible to appraise conditions as they will be then. It might be noted that the consumers' goods boom that has been going on for some years has slowed up considerably. On the other hand, spending for plant expansion and inventories continues at a good rate. This is somewhat of a paradox and, over the longer run, retail sales should improve or the volume of business spending would be unfavorably affected.

Natural resource development — so important to Canada — is going ahead in a dynamic way from coast to coast. There is a lot of activity in Newfoundland; New Brunswick; a considerable amount in the province of Nova Scotia; the Chibougamau area in Quebec is most active. In Ontario, large mining projects are being rapidly developed. In Manitoba, Saskatchewan and Alberta, the emphasis is mostly on oil development rather than mining (although that is not unimportant and impressive progress is being made. Much is stirring in British Columbia, too. All this natural resource development work going on across Canada gives many openings to investors. Needless to say, investigation and selection are important in buying into natural resource projects, as in other undertakings.

The transCanada pipe line is now on the way, and despite all the political commotion surrounding the scheme almost from its inception, it's vastly important to Canadian investors and, indeed, to the whole Canadian economy.

Corporation Bonds

(Supplied by Investment Dealers Assn. of Canada)

June 26, 1956

Public Utility Issues	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Alg. Cen. H.B.R.	5	'59	143	145	154
Bell Tele	3¼	'79	94¼	97¼	94
Bowater Pr. Co.	3¼	'90	92	95	92
Braz. Trac. L. & P.	4½	'70	83	86	83
B. C. Electric	3¼	'67	91	94	91
Do.	3¼	'75	89	92	89
Do.	3½	'80	91¼	94¼	91¼
Do.	4¼	'79	100¼	103¼	100¼
B. C. Telephone	4½	'75	99	102	99
Calgary Power	3¼	'72	91¼	94¼	91
Consumers' Gas	4¼	'74	93	96	93
Gatineau Pr. D	3¼	'70	91	94	91¼
Gt. Lakes Pwr.	4½	'75	96	99	96
Maclaren-Quebec Power	3	'69	88	91	88
Mex. Lt. & Pwr.	5	'75	90	93	90
Nat. Lt. & Pwr.	4½	'61	96	99	96
North. Que. Pr.	4½	'67	94	97	94
Power Corp.	3½	'67	90	93	90
Quebec Power	3	'62	93	96	93
St. Maurice Pr.	3½	'70	90	93	90
Shaw. W. & Pr.	3	'71	89¼	92¼	88
Do.	3¼	'73	90	93	90
Wpg. Electric	3½	'71	96	99	95¼
Industrial Issues:					
Abitibi Pr. P.	4	'74	95	98	95
Acadia-At. Sug.	4	'74	91	94	91
Aluminum Co.	4½	'73	99¼	102¼	99¼
Bathurst P. & P.	5½	'73	98¼	101¼	98¼
B. A. Oil	3¼	'74	92	95	92
Burns & Co.	4	'63	95	98	95
Canada Bread	4½	'67	92	95	92
Canada Cement	4½	'75	92	95	92
Can. Steamship	4	'66	97¼	100¼	96
Can. Breweries	4½	'79	101	104	101
Can. Canners	3½	'70	93	96	93
Can. Celanese	3	'62	90	93	90
Can. Chem. Co.	5½	'71	98	101	98
Can. Industries (1954) Ltd.	3½	'74	93	96	93
xCan. Oil	4	'76	93	96	93
C.P.R.	3½	'72	95	98	95
Can. West. Lum.	4	'82	97	100	97
Cockshutt Plow Co.	4½	'65	91	94	91
Columbia Cell.	5	'68	97	100	97
Dom. Fd. & Stl.	4½	'69	98	101	97
Dom. Tar & Ch.	5	'67	101	104	101
Dryden Paper	4½	'74	99	102	99
T. Eaton Accept.	4½	'74	99	102	99
E. B. Eddy	4	'74	92¼	95½	92½
Elk Falls Co.	5	'75	97½	100½	97½
G. M. Accept.	4	'64	97	100	97
Gunnar M. Ltd.	5	'80	99	102	99
Hudson Bay Oil & Gas	4	'75	92	95	92
xHusky Oil	5	'69	95	98	95
Imp. Tobacco	3	'70	89	92	89
Imp. Oil	3½	'75	93	96	93
Indust. Accept.	4½	'74	93	96	93
Irving Oil Co.	5½	'67	99¼	102½	99½
Loblaw Groc.	4	'75	92¼	95½	92½
Maple L.M.	3½	'63	92	95	92
Massey-Harris	5	'67	99	102	99
Monarch Knit.	4½	'71	73	76	73
N. S. Stl. Coal	3½	'63	95	98	95
*Ont. Jockey Cl.	5½	'72	95	98	98
Price Bros.	3½	'66	91¼	94½	91¼
Pronto Oran. Mines Ltd.	5	'80	95	98	95
St. Law. Corp.	5	'72	100	103	100
Silverwood D.	4	'71	94	97	94
Simpsons Ltd.	4½	'73	98	101	98
Simpsons-Sears Ltd.	4½	'79	97	100	97
Steel Co. of Can.	2½	'67	90	93	90
Traders Finance	5½	'69	100	103	100
Union Accept. C.	5½	'68	97	100	97
Un. Grain Grow.	3½	'70	89	92	89
Weston, Geo.	4½	'68	99	102	99
xEx wts.					
*Cum.wts.					
CONVERTIBLE ISSUES					
Ajax Pete. Ltd.	5	'62	92	95	92
Anglo-Am. Exp.	5½	'75	101	...	101
Atlas Steels	5	'67	109	112	109
Braz. Traction	4½	'71	82	85	82
Can. South Oils	5	'61	81	85	81
C.P.R.	3½	'66	103	106	103
Do.	4	'69	106	109	106
Cdn. Petrofina	4	'72	126	129	127
Cent. Leduc Oils	5	'65	90	93	90
Cockshutt Farm	5	'68	92	95	92
Dom. Stl. & C.	4½	'70	111	114	111
Dom. Textile	4	'66	92	95	92
Jupiter Oils	5	'67	90	95	90
Kroy Oils	5	'67	97	100	97
N. Concord D.	5½	'65	91	96	91
N. Superior Oils	5	'64	96	99	96
Pathfinder Pete 3-5		'62	85	90	85
Power Corp.	4½	'68	179	...	169
Scurry Oils Ltd.	5	'64	93	97	93
Silverwood Dair.	5½	'72	110	115	110
Traders Finance	4½	'69	110	118	110
Trans Emp. Oil	5	'66	92	...	92
Do.	5½	'67	97	...	97

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$19.58	$20.47	$19.43
Hogs	27.12	25.94	28.75
Copper, lb.	.40	.46	.36
Sugar, raw, lb.	.0552	.0553	.0550
Coffee, lb.	.60¼	.57¾	.58¾
Hides	.15½	.15½	.13
Weekly Commodity Indices			
Dow Jones	156.14	154.66	156.86
U. S. Labor	114.0	114.2	110.3
Monthly Commodity Indices			
Canada (D.B.S.)			
Retail (May)†	116.6	116.6	116.4
W'sale (Apr.)	224.5	223.3	218.5
C. F'm Pro. (Apr.)	200.4	197.5	216.1
U. S. (Apr.)	112.8	▪112.4	110.0
Gt. Brit. (Dec.)	348.7	▪348.1	335.5

Note: †Cost-of-Living Index Revised to the Base of 1949=100.

Base of price quotations is as follows: Cattle-Steers, good up to 1,000 lb., to price Toronto. Copper-electrotypes, New York Coffee No. 4 Santos; Spot Raw Sugar 96 degrees centrifugal c.i.f.

▪Revised

Investment Trusts

	Divd. pd. cents	Bid $	Ask $
All-Can. Comp. Fund	(20.5♦)	5.25	5.71
All-Can. Div. Fund	16(17.25)	4.91	5.34
Balanced Mut.	6(15)	5.27	5.79
Can. Invest. Fund	16(34)	9.30	10.20
Canafund	70(110)	35.64	37.42
Champion Mut. Fund		5.26	5.89
C'wealth Inter.	18(28)	8.08	8.88
Corporate Inv.	16(26)	8.84	9.61
Diversified Inc. Shs. B	6(12)	4.15	4.50
Dom. Equity Inv.	15+15(42)	14.55	14.85
Grouped Inc. (new)	5▪(10)	3.88	4.24
Growth Oil & Gas		6.85	7.20
Investors Mut.	14(30)	10.21	11.03
Leverage Fund	14(20)	5.84	6.42
Mut. Ac. F.	5.95(23.53)	6.58	7.15
Mutual Income	12.73(23.42)	5.34	5.80
Resources of Can.	(6)	7.51	...
Sup'vised Amer.	8(21)	6.14	6.20
Sup'vised Executive	(1955)	36.03	...
Sup'vised Executive	(1956)	29.74	31.04
Sup'vised Gr'th Fund	(4♦)	2.39	2.41
Sup'vised Inc. Fund	9(22)	4.40	4.44
Timed Invest.	5(20)	▪5.30	▪5.30
Trans-Can. A	48.4(83)	37.35	...
Do. B	47.6(96.6)	30.50	...
Do. C	8.8(19)	6.10	6.50

†Less or (*) plus stock exchange commission.

▲Paid or payable in 1956 total paid in 1955 in parentheses.

▪Plus stock divd.

♦Reinvested.

Bond Redemptions

Bond Issues	Rate	Year	Date	Cal. Pr.
§Atlas Steels Ltd. 1st mtge. s.f. bds. 4¾%		'66	Jul. 5	$100.00
▲Dom. Tar & Ch. Ltd. debs. 1953 ser. 5%		'80	Jul. 3	$100.00
▲▲Gulf Power Co. 1st mtge. s.f. bds. ser. A 5%		'74		$100.00
▪Interprov. Pipe Line 1st mtge. & coll. tr. bds. ser. B 3½%		'70	Jul. 1	$101.33
▪▪Koelering-Waterous Ltd., 1st mtge. s.f. bds. ser. A 4¾%		'74	Jun. 30	$102.25

▲▲$175,000.

*All outstanding.

▪$304,000.

▲$124,500.

§§410,000.

▪▪$25,000.

Bank Staff Changes

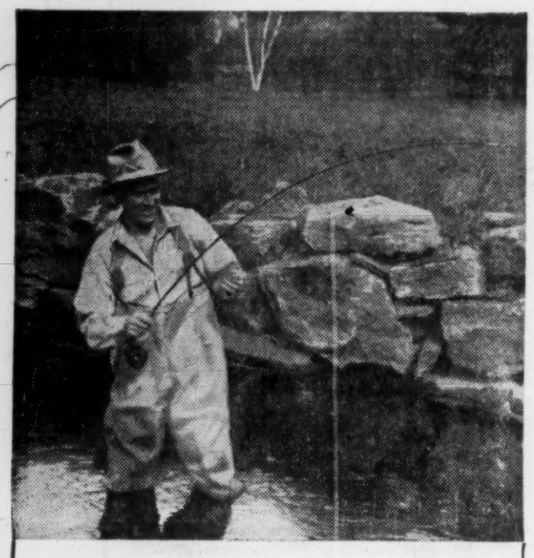
Bank of Montreal:

A. J. MACDONALD, manager, new East Side Branch, Regina, Sask.

O. A. JARRY, manager, new branch, St. Hilaire, Que.

W. F. H. BARRY, manager, new Westdale Ave. and Bath Rd. branch, Kingston, Ont.

Other newly opened branches: East End office, subagency, St. John's Nfld., main branch; Camp Wainwright, subagency of main branch Wainwright, Alta.



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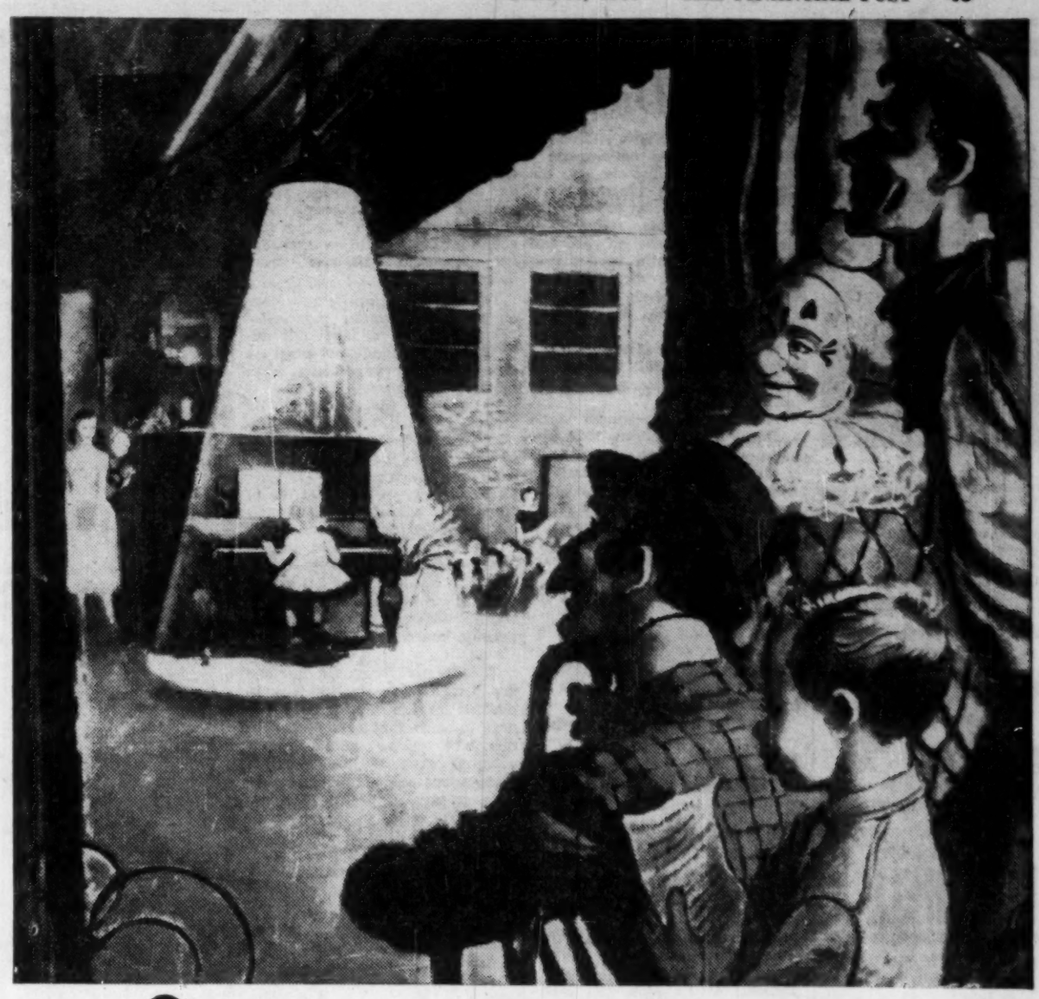

Sometimes it takes pigtails to win!

The community hall is packed. Friends and relatives from miles around have come to cheer their favorites on.

There's a tap-dancer, a recitation, a man in cowboy garb singing "On Top of Old Smokey" in a languid, mournful voice. A trio of girls try their luck with the tune at the top of the hit parade. Then a pigtailed, beribboned little girl in an organdie dress goes to the piano, plays slowly but well, and brings the house down. No one can resist the combination of pigtails and pluck.

Home-town talent concerts like this are just one of many fine traditions that go together to make Canadian farm life enjoyable for young and old alike. And community halls have made it possible for thousands of farm people to find an outlet for the kind of recreation they enjoy most.

The building of more and more community halls in rural areas has become a signpost of change—change in farming methods, growth of leisure-time activities, change even, in the outlook of the farmer toward his work. For today, because most of the heavy work on the farm is done by machinery, farming has become more satisfactory, in every way, to those who engage in it. We're working to make it more so as the years go by.

MASSEY-HARRIS-FERGUSON LIMITED

TORONTO, CANADA

Nat. Steel Car Sales Increase

National Steel Car Corp. sales in current year are likely to be substantially higher than last year, President H. J. Lang told the annual shareholders' meeting in Hamilton, Ont.

Business volume has improved since beginning of year and new products have increased railway equipment sales. The higher sales of freight cars in the latter months of 1955 has still further increased this year.

However, shortages of some types of steel and lumber are hampering company's operations and their expected continuance throughout the year may well disrupt production, Mr. Lang warned.

F. H. Sherman, executive vice-president of Dominion Foundries & Steel Ltd., was elected a director to fill the vacancy created by the retirement of L. C. McCloskey.

Company's net profit for the nine months ended March 31, 1956 was $496,742 in contrast to net profit of only $281,284 for the 12 months ended June 30, 1955. (Company changed fiscal year to simplify operating procedure.) Earnings per share were 71c (40c in previous period) and dividends amounted to $1.62½ ($2).

McKee engineering has earned the

WORLD'S STAMP OF APPROVAL

THESE stamps are from the thirty-five countries in which McKee has done business. This organization has executed contracts for plants with a combined value well over a billion dollars. They include completely integrated steel plants, blast furnaces, and iron ore preparation plants; complete petroleum refineries and all types of processing units; chemical and petro-chemical plants and processing facilities.

But the significant fact is that most of the more-than-2600 contracts awarded to McKee are repeat contracts from satisfied customers. We believe you, too, will be completely satisfied with the engineering and construction services you get when you call in McKee.

McKee ENGINEERING & CONSTRUCTION Services

Arthur G. McKee & Company of Canada, Ltd.

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THE TORONTO HYDRO-ELECTRIC SYSTEM

The Forty-Fifth Annual Report of the TORONTO ELECTRIC COMMISSIONERS 1955

BERTRAM MERSON, Chairman. JOHN McMECHAN, Vice-Chairman.

NATHAN PHILLIPS, Q.C., Mayor.

H. J. MacTAVISH, General Manager. J. S. McGREGOR, Assistant General Manager and Secretary.

April 26th, 1956.

COMMISSIONERS' REPORT

To His Worship the Mayor and Members of the Council of the Corporation of the City of Toronto.

TORONTO.

Gentlemen:

Your Commissioners submit their Forty-fifth Annual Report on the operations of the Toronto Hydro-Electric System for the year ended 31st December, 1955, accompanied by the Revenue Account and Balance Sheet.

The accounts have been audited by Mr. R. A. Stephenson, City Auditor of the Corporation of the City of Toronto.

Mr. Stephenson's certificate is appended hereto.

The operations for the year 1955 resulted as follows:

Gross Operating Income	$31,250,209.45
Cost of Electric Current and expenses of operation and management	24,449,042.11
Surplus of Income on Operating Account	$ 6,801,167.34
Non-operating Income	249,821.53
Net Income available	$ 7,050,988.87
Interest, Depreciation, Taxes and Debenture Instalments	3,527,575.04
Balance of Income carried to Surplus Account for investment in Capital Assets	$ 3,523,413.83

The total bonds issued by the System since its inception amount to $42,733,000.00, of which $7,769,625.00 was outstanding as at December 31st, 1955, and all of this will be promptly paid at the annual maturity dates of the bonds. The Fixed Assets of the System (exclusive of Reserve for Depreciation) with respect to the distribution plant in the City of Toronto amounted to $73,835,624.92. Current Assets amounted to $6,163,888.14, whereas Current Liabilities, including amounts due to the City Treasurer but not yet payable, amounted to $3,032,007.80.

PHYSICAL GROWTH OF THE SYSTEM

The following table indicates the physical growth of the System from the date of commencement of operations until the end of the year 1955:

End of	Motors in Use	Street Lights in Use	Kilowatt Hours Sold	Annual Peak Load H.P.	Annual Peak Load K.W.
1912	13,858	33,824	35,176,548	17,198	12,830
1913	33,976	40,596	82,927,015	28,753	21,450
1916	44,013	45,212	139,003,756	47,165	35,185
1918	53,598	29,527	230,413,561	60,154	44,875
1920	71,447	45,472	214,906,545	62,339	46,506
1922A	93,065	47,479	265,583,040	103,878	77,493
1922B	122,872	47,479	338,103,673	140,393	104,733
1924	141,759	49,855	485,708,476	191,803	143,085
1926	150,384	51,701	550,270,972	220,676	164,624
1928	168,099	53,459	675,026,262	259,579	193,646
1930	179,959	5 14	802,527,302	303,887	226,700
1932	182,647	57,070	819,926,881	297,099	221,636
1934	187,250	57,453	880,618,277	301,114	224,631
1936	193,867	58,004	977,438,577	334,496	249,534
1938	194,021	57,262	1,053,879,809	362,158	270,176
1939	195,270	57,468	1,116,895,495	383,536	286,118
1940	198,437	50,851	1,207,116,058	379,542	283,138
1941	179,444	47,474	1,253,623,686	381,594	284,669
1942	179,794	41,423	1,320,976,910	372,249	277,698
1943	180,776	41,446	1,311,901,382	377,189	281,376
1944	182,363	47,564	1,371,645,482	393,920	293,964
1945	183,838	47,848	1,461,114,646	442,134	329,832
1946	185,318	48,114	1,538,853,797	465,521	347,279
1947	186,284	47,577	1,658,030,007	472,795	352,706
1948	187,102	43,093	1,640,164,380	477,265	356,040
1949	188,025	42,752	1,698,489,677	463,164	345,520
1950	188,530	42,729	1,915,376,322	563,275	420,203
1951	188,967	43,159	2,061,790,741	565,126	421,584
1952	189,685	42,014	2,142,683,029	594,310	443,355
1953	191,264	39,845	2,287,009,604	655,131	488,728
1954	191,765	34,002	2,439,626,216	657,733	490,669
1955	194,410	31,729	2,581,388,581	704,078	525,242

1922A shows the Toronto Hydro-Electric System alone, whereas 1922B includes the Toronto and Niagara Power Company's System (approximate) as at the beginning of 1923.

OPERATIONS OF 1955

The electrical energy purchased from The Hydro-Electric Power Commission of Ontario for the year 1955 cost $17,760,373.29, or 57.4% of the income from sale of current to the System's consumers against $17,139,670.36 for the preceding year, or 57.9% of the sale of current for that year. The interim rate was $38.75 per kilowatt per annum, and the monthly bills as rendered were paid for at this rate. After the close of the year's operations, the Provincial Commission advised that the cost of the power supplied was $820,670.17 less than had already been paid, and this brought the net cost to $17,760,373.29, or $37.04 per kilowatt per annum.

NEED OF RE-ESTABLISHING SPARE CAPACITY

The System's peak load for the year 1955 was 525,242 K.W., an increase of 195,410 K.W., or 60% over that of 1945, and an increase of 34,573 K.W., or 7% over that of 1954. In commenting in our previous report on the small increase in peak load recorded in 1954, it was stated that this should not necessarily be regarded as indicative of a levelling off of the load growth, and this statement has been amply justified by the results of the past year. Despite the installation of an additional 20,400 K.W. of plant capacity, the overload on the System's facilities increased to approximately 27,700 K.W. In addition to installing sufficient plant capacity to eliminate this overload, it is also necessary to restore the spare capacity which was used up during the War, and which is required, in the first instance, to permit taking equipment out of service in order to enable its conversion to 60 cycle operation, and thereafter, to ensure continuity of service. To re-establish spare capacity proportionate to the peak load on an equivalent basis to that which existed in 1939 would involve the installation of an additional 80,000 K.W. of plant. Rates set to provide for a plant with a necessary measure of spare capacity will obviously yield a surplus if, instead of having spare capacity, the plant is overloaded, and this condition, in a large measure, accounts for the Net Income. As our capital construction overtakes demand and the spare capacity is re-established, this element of surplus will disappear. In the meantime, in accordance with the provisions of The Power Commission Act, this surplus has been applied as it arose in increasing the capacity of the System's plant and thereby reducing the amount which it was necessary to ask the City to have the Metropolitan Corporation raise by debenture issue at a time when demands for such issues were particularly heavy. At the same time, by so doing, a saving was effected for the System's consumers in the avoidance of debt charges which would have resulted had equivalent capital funds been obtained by debenture issue.

IMPROVED STREET LIGHTING

The renovation of the street lighting system has now been completed, with the exception of a few residential streets where special construction is necessary and certain traffic thoroughfares where work has been held up pending a decision in respect to the Expressway. During the year, 194 universal type luminaires, 3,194 residential luminaires, and 8 fluorescent luminaires were installed in the City of Toronto, bringing the total refractor luminaires in service to 25,945, covering a distance of approximately 557 miles of street. Also, 488 residential luminaires were installed in the Town of Leaside, bringing the total refractor luminaires in service in that Municipality to 790, covering a distance of approximately 24 miles of street.

FREQUENCY STANDARDIZATION

On March 7th, 1955, the Scheduled Programme of Frequency Standardization of equipment in consumers' premises commenced in Toronto. This was not the first appearance of the vehicles and equipment of the Provincial Commission's contractor on the City's streets, since it was preceded in July, 1954, by the standardization of consumers' equipment on the part of Yonge Street south of College Street coincident with the restoration of services destroyed by the Subway. Also, as noted in our previous reports, a great deal of standardization has been carried out in advance of the Scheduled Programme. However, the significance of this event lies in the fact that the programme will henceforth be carried out on a continuous basis until its completion which, under a new schedule now put in operation by The Hydro-Electric Power Commission of Ontario, will be completed in 1959.

The programme was started in the west end of the city where work was carried on for about three months. Following this, consumers east of Yonge Street supplied from the low voltage network were standardized. A section in the Beach area was next standardized in order to relieve the overload on Danforth Station. From here, the crews returned to the west end, and will continue to work across the city from west to east with only one further short interruption, when the balance of the consumers supplied from the low voltage network will be changed over.

The progress made during the year under the Scheduled Frequency Standardization Programme involved the standardization of the equipment of 17,623 Domestic, 3,390 Commercial Lighting, and 521 Power Consumers, or a total of 21,534. During the same period, 7,261 consumers were supplied with 60 cycle energy in advance of the programme from the duplicate 60 cycle city-wide system, installation of which was completed in 1954, bringing the total number supplied in advance of the programme to 15,347. In all, there were 36,881 consumers receiving 60 cycle service by the end of 1955.

Early in 1955, the new Basin Station supplied from the Toronto-Basin Terminal Station of the Provincial Commission was placed in service, and later in the year, the Main Station supplied from the Toronto-Main Terminal Station was also completed and placed in service, bringing the total number of 60 cycle sources available to the System to eight at the end of the year.

During the year, The Hydro-Electric Power Commission of Ontario started construction of their new 60 cycle Toronto-Strachan Terminal Station to replace the temporary 60 cycle equipment at this location and the existing 25 cycle station which is now obsolete. They also commenced construction of a new station on the rear of the System's property at Glengrove Avenue East and Yonge Street, to be known as Toronto-Glengrove Terminal Station. This Terminal is to be supplied by 110,000 volt underground cables from Leaside, and will provide for 60 cycle load growth in North Toronto, and ultimately for the frequency standardization of this area.

Dupont and Commissioners Substations, commenced in 1954, were completed and placed in service, and construction was started on two new 60 cycle, 4 K.V. Substations at College Street just west of Dovercourt Road, and at Eglinton and Duplex Avenues. The Brentwood, Sterling Road and Sorauren 550 volt Substations were converted to 60 cycle operation.

Construction was also started on a System Control Centre at Eglinton and Duplex Avenues which will contain the control panels for all unattended stations and be equipped with a System Diagram Board for the guidance of the Load Engineers in directing the operation of the whole System.

Two new stations of the Toronto Transit Commission at Lansdowne Avenue south of Bloor Street, and on Granby Street east of Yonge Street, were supplied service by underground 13,200 volt, 60 cycle feeders. Lansdowne Station was placed in service, but Granby was not in operation by the end of the year. Also, underground 13,200 volt, 60 cycle services were supplied to an additional twenty large consumers so that they could begin conversion of their plants in advance of the Scheduled Frequency Standardization Programme. The total number of consumers so supplied at the end of 1955 was sixty-two.

By December 1955, the 60 cycle load in the central section of the City served by the low voltage underground network system was approximately 60,000 K.V.A., representing an increase of 22,000 K.V.A. over the previous year. This increase was made up of approximately 12,000 K.V.A. of new load, and approximately 10,000 K.V.A. of 25 cycle network load which was converted to 60 cycles, reducing the 25 cycle network load to approximately 10,000 K.V.A. To provide for the above 60 cycle load and for other new load to be supplied in the immediate future, 11 transformer vaults were constructed and 49 network units were installed. During the year, 43—25 cycle network transformers were rewound for 60 cycle operation. During 1955, the load supplied in the area served by the System at 60 cycles increased by 85,700 K.W., to a total of 280,500 K.W., which is slightly over half of the combined 25 and 60 cycle peak.

UNDERGROUND CONSTRUCTION

In order to make duct available to The Hydro-Electric Power Commission of Ontario to carry their 110,000 volt cable from Leaside to Glengrove via Mount Pleasant Road and Blythwood Road, it was necessary to construct a duct line on Yonge Street from Roehampton Avenue to Blythwood Road, and to transfer our 13,200 volt cable from Mount Pleasant Road to this duct. A duct line was constructed on Queen Street from Hammersmith Avenue to Nursewood Road to accommodate 13,200 volt, 60 cycle cable for supply to the Victoria Park Pumping Station. Duct was installed on Woodbine Avenue from Gerrard Street to Danforth Avenue at the time of the street widening and construction of the subway, and also on St. Clair Avenue from Yonge Street to Avenue Road to provide for office building and apartment house load in this area. In addition to other smaller projects, much work was done to increase the capacity of the 60 cycle low voltage network.

During the year, underground construction having a value of approximately $1,168,000.00 was installed by the System. This involved the laying of 263,000 feet of duct and the building of 131 manholes and 11 transformer vaults at a cost of $530,000.00, and the installation therein of 215,000 feet of cable at a cost of $638,000.00. While the larger part of this expenditure was for the installation of 13,200 volt, 60 cycle facilities, some $238,000.00 was expended on distribution plant for lower voltages, and as a result of this underground construction, a corresponding amount of overhead construction was avoided.

While, as indicated in our previous Annual Report, the removal of poles and placing of primary lines underground has to yield precedence to the more urgent requirements of providing for load growth and keeping pace with the Frequency Standardization Programme, this does not mean that this work is being neglected. During the year, 217 cedar poles were replaced by concrete poles on approximately four miles of City streets, of which two and one-half miles were in the area bounded by Sherbourne Street, Bloor Street, Spadina Avenue and the Waterfront. It is also our practice, when constructing duct lines, to include spare duct which may be used to accommodate primaries when the pressure of other commitments permits proceeding with this programme.

CONCLUSION

In conclusion, the Commissioners desire to testify to the efficient services of the Staff, and to thank the City Council, the Toronto Press and the Public for their continued confidence in the enterprise and their effective support.

Respectfully submitted,

TORONTO ELECTRIC COMMISSIONERS,

BERTRAM MERSON, Chairman. NATHAN PHILLIPS, Mayor. JOHN McMECHAN, Vice-Chairman.

TORONTO HYDRO-ELECTRIC SYSTEM

Balance Sheet as at 31st December, 1955

ASSETS

FIXED ASSETS:		
Land		$ 1,006,482.71
Buildings, Distribution System and Equipment together with the Plant and Equipment of the Toronto and Niagara Power Company purchased in 1920	$70,398,045.97	
Less: Reserve for Depreciation	24,470,899.79	45,927,146.18
Water Heater Units New and Reconditioned (Less amount written off)		2,305,199.11
Debenture Discount and Expenses		125,897.13 $49,364,725.16
CURRENT ASSETS:		
Cash on Hand and on Deposit		443,455.89
Accounts Receivable, including Orders in Progress (less allowance of $50,000.00 for doubtful accounts)	3,306,258.94	
Stores on Hand (less Stores Reserve of $37,950.26)	2,200,849.09	
Appliance Stores on Hand (less Stores Reserve of $2,592.04)	63,703.59	
Prepaid Charges and other items	149,620.63	6,163,888.14
RESERVE FUNDS:		
Government and Government guaranteed Bonds at approximate market value 31st Dec. 1955 (Par Value $5,796,000.00)	5,582,126.00	
Government of Canada Treasury Bills (Maturity Value $3,100,000.00)	3,078,175.50	8,660,301.50
		$64,188,914.77
Sinking Fund Equity in The Hydro-Electric Power Commission of Ontario as at 31st December, 1955		55,182,279.71
		$119,371,194.48

LIABILITIES

CAPITAL LIABILITIES:		
Corporation of the City of Toronto:		
Proceeds of the issue of debentures	$41,505,825.86	
Debenture discount and expenses	1,227,174.14	
	42,733,000.00	
Less: Funded debt retired through serial debenture and sinking fund payments	34,878,000.00	
	7,855,000.00	
Less: Serial Debenture Instalments Accrued	85,375.00	$7,769,625.00
CURRENT LIABILITIES:		
Accounts Payable and Accrued Charges	2,650,944.95	
Consumers' Security Deposits	278,205.35	
Corporation of the City of Toronto:		
Serial Debenture Instalments Accrued	$85,375.00	
Debenture Interest Accrued	17,482.50	102,857.50 3,032,007.80
SPECIAL RESERVES:		
Workmen's Compensation and Public Liability	579,586.48	
For Frequency Standardization Expense	3,398,566.74	
For Standardization of Voltage in the low voltage network area	406,444.79	4,384,598.01
DEBT REDEMPTION:		
Funded debt retired (after writing off debenture discount, intangible assets not subject to replacement, etc.) including instalments accrued of $85,375.00		29,671,309.97
SURPLUS ACCOUNT:		
Invested in Capital Assets	12,232,925.36	
Allocated for future investment in Capital Assets	2,392,819.37	
Held for Working Capital	4,505,629.66	19,131,374.39
		$84,188,914.77
Reserve for Sinking Fund Equity in The Hydro-Electric Power Commission of Ontario as at 31st December, 1955		55,182,279.71
		$119,371,194.48

CERTIFICATE OF AUDITOR

Department of Audit,
Room 303,
City Hall,
Toronto, April 20, 1956.

THE TORONTO ELECTRIC COMMISSIONERS,
TORONTO.

I have completed the audit of the books and accounts of the Toronto Hydro-Electric System for the year ended December 31, 1955 and certify that I have obtained all the information and explanations which I have required and that, in my opinion, the above balance sheet and the accompanying statement of revenue and expenditure are drawn up properly so as to disclose the financial position of the System as at December 31, 1955 and the results of its operations for the year then ended, according to the best of the information and explanations given to me and as shown by the books.

(Signed) R. A. STEPHENSON,
City Auditor.

TORONTO HYDRO-ELECTRIC SYSTEM

Revenue and Expenditure Account For the Year Ended 31st December, 1955

Section 1: Showing Net Income From Operations of Year

CHARGES		INCOME		
Cost of electric current as billed by The Hydro-Electric Power Commission of Ontario	$17,760,373.29	Sale of Current:		
Expenses of operation and management, including repairs and maintenance	6,688,668.82	Lighting	$17,917,393.44	
Net operating income carried forward to Section 2	6,801,167.34	Power	12,137,963.79	
		Street Lighting—Toronto	856,677.63	
		Street Lighting—Leaside	11,790.76	$30,923,830.62
		Income from sundry other sources, including Temporary Services $29,968.45		326,378.83
	$31,250,209.45			$31,250,209.45

Section 2: Showing Disposition of Net Income

Interest (including $66,852.64 on reserves)	$ 350,302.27	Net Operating Income	$ 6,801,167.34
Depreciation (including interest on depreciation reserves)	2,500,961.45	Interest earned	249,821.53
Taxes	378,727.99		
Serial Debenture Instalments	297,583.33		
Net Income carried to Surplus Account, for investment in Capital Assets	3,523,413.83		
	$ 7,050,988.87		$ 7,050,988.87

TORONTO ELECTRIC COMMISSIONERS

THE WEEK'S QUOTATIONS

Quotations here listed are the official, exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

Bid and Ask quotes of Toronto and Montreal exchanges up to press time are published on page 44.

WEEK ENDING JUNE 22, 1956

Range 1956 High	Range 1956 Low	Div. Rate $	Y'ld %	Company	Sales	Last June 15	Week end. June 22 H	Week end. June 22 L	Week end. June 22 Close
1.10	.70			Abitca	39600	.85	.90	.85	.88
45¼	34½	1.50	3.8	Abitibi	9157	39	39½	38¼	39
26½	24	1.12½	4.5	Do. 4½% pref.	995	24½	24¾	24¼	24½
12¼	10	.50	5.0	Acadia Atlan.	670	10¼	10¼	10	10
106	102	5.00	5.0	Do. 5% pref.	10	†102	†100¼	†100¼	†100¼
24½	21¼	1.20	5.3	Do. (A)	435	21½	23	21½	22½
..	..	‡1.00		Admiral	nil	..	17¾	18	17
8¼	7	.40	5.2	Agnew Surp.	460	†6¾	7¾	7¾	7¾
10¼	9¼	.55	6.0	Do. pref.	225	†9¼	9¼	9¼	9¼
2.10	1.50			Albt. Dist.	1675	1.80	1.80	1.70	1.80
1.75	1.40			Do. V.T.	1800	1.50	1.55	1.50	1.50
122	93			Algoma Steel	2465	102½	102	100¼	102
26¼	23	1.00	4.2	Alum. of Can. p	515	23	24	23¾	24
52¼	49½	2.25	4.4	Do. 2nd pref.	3765	50¼	51	50¼	50¼
127½	100	‡*a1.15		Aluminium	4506	126½	126¾	124½	125½
8	5¼	*a.15		Andian Nat.	60	7	6	5¼	6
15	13¾	*.40		Anglo. Can. Oils (Brandon)	nil	..	15¼	..	15
53	43½	2.00	4.5	Ang. Cdn. Pulp	485	46	45¾	44¼	44½
54	51½	2.80	5.3	Do. pref.	60	53	53	53	53
50¼	44½	2.25	5.0	Ang. Can. Tel. p	235	45½	45¾	45	45
13¾	10¼	.60	5.6	Ang. Nfld.	1950	11¼	11¼	11	11
..	..	*1.00		Anglo-Scand. Inv	nil	..	..	..	11
26½	24½	1.20	4.6	Anthes Imp.	100	26	26	26	26
.80	.40½			Arcan Corp.	nil	..	..	.48	.45
26½	21	.80	3.7	Argus	3560	21¼	21¾	21	21¾
57	53	2.40	4.3	Do. $2.40 pref.	525	55	55¼	54¼	55¼
49	45	2.50	5.4	Do. $2.50 pref.	506	47	47	46	46
..	..	*a.50		Aro Equip.	nil	..	..	..	†35
46	38	1.00+.60		Asbestos	2521	40	41	40	40¾
14	14	.60	4.4	Ashdown Hd. A.	nil	..	13¾	14	14
14½	12¼	.72	5.8	Do. (B)	nil	..	12¼	13¼	12¾
5	3¼			Ash Temple	85	4	4	4	4
98	98	6.00	6.0	Do. A pref.	nil	..	97¼	99¼	99¼
10¼	9½	.65	6.8	Do. B pref.	300	10	10	9¼	9¼
..	..	‡4.00+*2.00		Assoc. T&T A p	nil	..	..	..	101
7	6			Atlan. Accept.	nil	..	6	7	5‡
16	15	1.10	6.9	Do. pref.	nil	..	17	19	16
26	17½	*.50		Atlas Steels	3474	26	26½	26	26
14	10¼	*.45+1.20		Auto Electric	150	12½	12	12	12
10½	9¼	.50	4.8	Do. (A)	100	10¼	9¼	9¼	9¼
6½	..	•		Auto Fabric A	50	5¼	5	5	5
1.20	1.00	•		Do. (B)	110	1.00	1.00	1.00	1.00
43	39	1.20+2.20		Bk. Can. Nat.	526	41¼	42	41¼	42
56	47¼	1.40+2.80		Bk. Montreal	3672	49½	50	49	49¾
68¼	53½	1.80+*.20		Bk. N. Scotia	1825	54½	54¾	54	54½
3.80	3.00			Do. Rights	60325	3.10	3.25	3.00	3.20
45	45	3.20+4.80		Barber-Ellis	nil	..	40	..	45
..	..	3.50		Do. 7% pref.	nil	..	19¼	..	..
7½	7½			Barcelona	nil	..	7‡	9	17
10	9½	1.00	11.0	Bates & Innes A	50	9½	9¾	9¼	9¼
65½	62	3.00+*.50		Bathurst Pr. A	320	62	63	63	63¼
46	37	*1.25		Do. (B)	245	39	39	38	39
7‡	6‡	.40	5.7	Beatty Bros.	575	6¾	7	6¾	7
..	..	*.50		Beaubran	nil	..	29¼	30¼	30
21	19	*.80		Beaver Lumber	245	20¼	21	19‡	19‡
22½	21½	1.00	4.7	Do. (A)	nil	..	20¼	20	21¼
33	32¼	1.40	4.2	Do. pref.	50	32‡	33	33	33
91	7	1.20●		Belding Cort.	500	7‡	7‡	7	7
13	12	.70	5.8	Do. pref.	nil	..	11¼	12¼	12
6‡	5‡	•		Belgium Stores	440	5‡	6	6	6
11¼	11	1.00	8.7	Do. pref.	150	11‡	11¼	11	11¼
51½	45½	2.00	4.4	Bell Telephone	36758	45¾	46¼	45¼	45¾
1.10	1.02			Do. Rights	467343	1.08	1.10	1.03	1.06
8	6‡	.40	6.4	Biltmore Hats	10	7‡	7‡	6‡	6¾
14¾	12¾	1.00	7.4	Do. (A)	nil	..	13	13¼	13¼
50	50	2.40+1.40		Bird Constr.	nil	..	50	..	50
10	8			Blue Ribbon	nil	..	9	10	10
34	32	11.25●		Do. pref.	nil	..	..	32	32½
..	..	*.50		Bowes Ltd.	nil	..	..	18	13
20	17½	1.00	5.4	Brant. Cord. A	nil	..	18¼	18¼	18¼
12¼	11¼	.50	5.0	Do. (B)	600	10¼	10	10	10
8	6	*.50		Brazilian Tr.	15968	6‡	7	6‡	6‡
98	90	6.00	6.6	Do. pref.	30	†91	91	90	91
50	46	2.90	5.9	Bridge & Tank p	215	46¼	49	49	49
3.00	2.55			Do. Warr.	nil	..	3	..	3
19	15			Brimsmith	nil	..	12	13	†13
21½	20	1.15	5.8	Do. 5% pref.	nil	..	19	20	†20
33	29	*.30+1.40		Br. Am. Bk. N'ts	350	30¼	30	30	30
42½	39	1.00	2.5	Brit. Amer. Oil	29944	41‡	43	41‡	42‡
98½	90	4.00	4.4	B.C. Elec. 4% pf.	10	90	90	†88	90
106	99¼	4.75	4.7	Do. 4½% pref.	561	100‡	103¼	100	103¼
58¼	50	2.50	4.7	Do. 5% pref.	190	50‡	53	50¼	53
53	47¼	2.25	4.6	Do. 4½% pref.	645	49	49	48‡	49
51	46¼	2.12½	4.8	Do. 4½% pref.	135	46‡	46¾	46¼	46‡
20	17¼	.37½		B.C. Forest	5175	16	16	15¼	15¾
17½	15	.75	4.9	B.C. Packers A	254	15	15¼	15	15¼
15	12	11.00		Do. (B)	325	12‡	12‡	12‡	12‡
42	36¼	.95		B.C. Power	7540	40‡	42	40¼	41‡
52¼	46	2.00	4.4	B.C. Tele.	992	46‡	46¾	46	45¾
1.01	87½			B.C. Turf	22350	1.00	.95	.95	.95
24½	17¼	*a.50		Brown Co.	2695	22	21‡	21	21¼
14½	8‡	1.20‡		Bruck S. Mills A	504	8‡	9	8‡	9
5	3¼	•		Do. (B)	nil	..	3¼	3¼	3¼
40	33½	1.80	5.1	Building Prod.	435	35	35¼	34	35¼
7‡	7‡			Bulloch's A	nil	..	51	54	7‡
58	54			Do. (B)	nil	..	54	54	54
31	28	1.00+2.50		Burlington Steel	360	28¼	28¼	28	28¼
14½	11	*.60+.05		Burns & Co.	740	12	12	12	12‡
9	8	.45	5.4	Burrard D.D. A.	300	8‡	8‡	8¼	8¾
3.30	3.00	•		Butterfly Hos.	nil	..	1.50	3.50	3.10
..	..	.80	6.2	Caldwell Linen	nil	..	..	..	13
21¼	21	1.50	6.5	Do. 1st pref.	nil	..	21¼	24¼	23
12½	12	.80	6.7	Do. 2nd pref.	nil	..	12	13	12
60	55¼	*.50		Calgary Pwr.	9682	58‡	60	58½	59½
105	101‡	5.00	4.9	Do. 5% pref.	95	102	104	103	103
3‡	3	.10	3.1	Canada Bread	nil	..	3.00	3.35	3.25
60	56	2.50	4.7	Do. pref. B	nil	..	..	53	53
36	28¼	1.00	3.3	Canada Cement	2466	29‡	31	29¼	30‡
32	28¼	1.30	4.5	Do. pref.	631	28‡	29¼	28¼	29
11‡	8‡	1.20		Can. Cr. Stone	nil	..	8	8‡	8‡
25	20‡	*.60		C. & D. Sugar	2455	23	24	23¼	24
19	19	*.75		Can. Floor B	nil	..	17‡	..	19
13¼	13¼	.40	3.0	Can. Fois	nil	..	..	13¼	13¼
17	15	.60-*a*.1‡		Do. (A)	nil	..	15‡	16	16
18‡	18			Can. Forg.	nil	..	16	18¼	18‡
27¼	25¼	1.50	5.6	Do. (A)	nil	..	26‡	..	27
39½	32‡	*1.12½		Can. Iron	1440	33	34	32‡	33¼
104	101¼			Do. 4½% pref.	210	103¼	103‡	101½	103
165	155	*3.00		Can. Life	95	160	160	160	160
15	15	1.25		Can. Machine	nil	..	58	57	57
12	8	2.00+*		Can. Malting	273	57‡	58	57	57
26	23¼	1.17	5.0	Do. 4½% pref.	475	23‡	23‡	23¼	23¼
42	37¼	1.50	4.0	Can. Packers A	130	37	37¼	37¼	37¼
37	33¼	1.50	4.4	Do. (B)	410	34‡	34‡	33‡	34
96	76	3.00+*.40		Can. Perman.	195	87‡	87¼	86	86¼
104	97	4.40	4.5	Can. Safeway. p	210	99	99¼	99	99
30	29	2.00		Can. Steamships	137	†22	30‡	†28	†28
14	12	.62½	5.1	Do. pref.	50	12	12¼	12‡	12¼
20	18‡	.80+1.35		Can. Vinegars	10	20	19	19	19
..	..			Can. W. Cord A	nil	..	..	..	84
155	155	4.00	2.6	C. W Cable A	nil	..	192	..	155
20	18¼	*.20		Do. B new	125	18‡	18‡	18	18
95	85	1.00+1.50		Canadian Aretha	nil	..	90	..	95
7‡	6	●		Cdn. Bakeries	300	†5	6	6	6
58‡	44½	1.40+*.20		Cdn. Bk. Com.	2816	49½	50	49	50
33¼	29	1.50	5.1	Cdn. Breweries	11989	29‡	30	29	29¼
23¼	20	1.25	4.1	Do. pref.	535	30¼	30¼	29	30¼
38	27	*1.07+2.50		Cdn. Bronze	50	31¼	31¼	31	31
105	104	5.00	4.8	Do. pref.	nil	..	102	..	104
42‡	32½	2.00	4.9	Cdn. Carriers	6285	40‡	41¼	40½	40½
21¼	15¼	*.30+1.15		Cdn. Celanese	2317	16	16¼	16	16
37	29	1.75	5.6	Do. pref. $1.75	175	31	33	31‡	31¼
21	18	1.00	5.6	Do. $1 pref.	nil	..	18	20	18
11¼	9			Cdn. Chem.	3285	9¼	9¼	9¼	9¼
14‡	8‡	●		Cdn. Collieries	6210	8¼	9¼	8¾	9¼
93	84			Cdn. Cottons	nil	..	4‡	5	4
4	4	•		Do. (B)	nil	..	4	4	4
16	10	●		Cdn. Cottons	nil	..	..	10¼	10
9	8			Do. pref.	5	8	8	8	8
25	19	*.50		Cdn. Dredge	1715	24‡	25	23‡	22‡
32	28	1.00	3.6	Cdn. Fairb.	23	29‡	28	28	28
125‡	124	6.00	4.8	Do. pref.	nil	..	125	..	124
41	34	●		Cdn. Food Prod.	331	34	34	34	34
8‡	8			Do. (A)	nil	..	8	8‡	8‡
65	56	●		Do. pref.	185	60	60	57	57
1000	825	*5.00+4.00		Cdn. Gen. Elec	1	760	760	975	1000
32	28‡	1.10+*.18		Cdn. G. Inv.	364	29	29¼	28‡	29‡
27	23	*.50●		Cdn. G. Sec. A●	190	23	23‡	23	23
25	25	*.50●		Do. (B)●	nil	..	24	29	25
11‡	7‡	●●.12‡		Cdn. Hydro-Card	1376	10‡	10¼	10	10
6	5	1.10		C. Ice Machine	200	5	5	5	5
12‡	11	.80	7.3	Do. (A)	300	12	11	11	11
24	19	*.40		Cdn. Indust.	2346	20‡	20¼	19‡	20¼
96	90	3.75	4.2	Do. pref.	10	95	90	90	90
97	85	*2.00+2.00		C. Ingersoll R.	100	96	97	96	97
20	17‡	*.75	3.0	Cdn. Int. L Tr.	nil	..	19	21	18
98	97	5.00	5.2	Do. pref.	nil	..	..	..	98
25	21	*1.00		Cdn. Locomo.	nil	..	30	34	32
6.62½	4.35	1.06		Cdn. Marconi	590	4.90	5.00	4.70	4.75
25	19‡	.60	2.6	Can. Oil	4323	23¼	24	23¼	23½
107½	100	5.00	4.8	Do. 5% pref.	50	104	105	101	104½
165	160	8.00	4.8	Do. 8% pref.	7	160	160	161	160
90	93	4.00	4.3	Do. 4% pref.	nil	..	..	99‡	93
10	7‡			Do. Warr. 1953	415	8	8‡	8	8
6.00	3.10			Do. Warr. 1955	200	3.60	3.90	3.60	3.60
36¼	30¼	1.50	4.8	Cdn. Pacific	13094	31‡	31‡	30¼	31
29‡	22‡			Cdn. Petrofina p	4127	28‡	29‡	28‡	29
7‡	5‡			Cdn. Pr. & P S	1500	7‡	7‡	7‡	7‡
1.12	85			Cdn. Propane	200	1.10	1.10	1.10	1.10
21‡	15			Cdn. Salt	nil	..	21	21‡	21‡
42	41	●		Cdn. Silk A	50	41	41	41	41
72‡	91	.60+*.10		Cdn. Tire	35	111	115	115	115
..	..	1.00	4.8	Do. pref.	nil	..	204	..	21
104‡	100‡	5.00	5.0	Cdn. Utilities pf.	69	†100	100‡	100‡	100‡
..	..	4.50		Do. 4½% pref.	nil	..	..	..	92
46	30‡	1.80	4.3	Cdn. Vickers	2679	36‡	37‡	34‡	34‡
11‡	10‡			C. Wallpaper A	nil	..	12	15	11‡
11‡	10			Do. (B)	nil	..	..	11‡	12‡
25‡	14‡			Cdn. Lumber	875	23	20‡	23	25‡
19	16‡	.80	4.6	Cdn West Gas p	350	17‡	17‡	17‡	17‡
53	46	*.75		C. Westinghouse	165	46‡	47	46‡	46‡
5.95	4.80	*a.15		Capital Estates	2300	5.00	5.12½	5.00	5.12½
1.50	1.10			Carling Br. Alta	600	1.10	1.15	1.15	1.15
1.20	1.00			Do. V.T.	nil	..	..	1.05	1.00
14	12‡	.60	*.30	Carter, J. B. A.	nil	..	..	13‡	14
18	17	*1.00		Do. (B)	nil	..	18	..	18
28	27‡	1.50	+*.10	Catelli Food A.	nil	..	25	..	25
40	37‡	1.00	+*.10	Do. (B)	nil	..	38	..	38
..	..	*.25		Celanese Corp.	nil	..	..	..	22‡
..	..	‡4.50		Do. 4½% pref.	nil	..	..	..	..
..	..	‡7.00		Do. 7% 2nd pf.	nil	..	..	..	..
28	28	.80	2.9	Cent. Can. Invest	200	†20‡	28	28	28
103	100‡	5.00	5.0	Do. pref.	20	100	100‡	100‡	100‡
6	5	1.50	+■.75	Cent. Nor Air A	nil	..	..	8	5‡
8‡	6			Do. (B)	nil	..	8	..	8‡
72‡	58	1.40	2.4	Chart. Trust	5	59	58	59	59
3.60	3.00			Do. Rights	563	3.50	3.50	3.25	3.50
8.00	3.30			Chateo Steel	2600	8	8	7	7‡
6‡	5			Do. pref.	60	33	35	71	34
18‡	15	1.00	6.7	Chateau-Gai	201	†18‡	15	15	15
88	59	*1.50+21.00		Chrysler Corp.	100	63‡	62‡	62	62‡
.85	.40	‡6d		Cinzano A	nil	..	45	..	†50
..	..	5¼%		Do. 5¼% pref.	nil	..	83	..	83
2	2	●		Circle Bar Knit.	nil	..	2	3	2
*.44	41			Do. (A)	nil	..	42	..	42
6.75	3.70			Claude Neon A	200	6.00	6.75	6.75	6.75
7	3‡			Do. (B)	400	6.00	7.00	5.75	7.00
76	68			Do. pref.	nil	..	77	..	75
22½	18‡	.80	4.0	Cochrane-D	365	18‡	18‡	†18	18‡
23‡	19			Do. (A)	25	20	19‡	19‡	19‡
8‡	5‡	●		Cockshutt Farm	1725	6	6‡	6	6‡
17½	16	1.00	6.3	Coghlin, B. J.	105	16‡	16	16	16
..	..	*.75+.35		Coll. Terminal	nil	..	13‡	..	12‡
..	..	*.75+.35		Do. pref.	nil	..	11‡	..	†13
13	9‡	*.12‡		Comb. Enter.	1065	11	11	10‡	10‡
11	10‡	.80	6.5	Conduits Nat.	50	11	†12‡	10‡	†12‡
170	139	1.50	1.1	Conf. Life	nil	..	134	145	140

Range 1956 High	Range 1956 Low	Div. Rate $	Y'ld %	Company	Sales	Last June 15	Week end. June 22 H	Week end. June 22 L	Week end. June 22 Close
10‡	6‡	1.25		Cons. Bakeries	600	7	7	7	7
1.90	1.10			Cons. Div. Sec. A	225	1.60	1.75	1.60	1.75
36	33	*1.00		Do. pref.	nil	..	35	40	35
..	..	*.25		Cons. Fire Ins.	nil	..	7	..	4
43‡	33½	*.90+.40		Cons. Paper	11562	41½	43‡	41‡	43½
3.00	2.30	•		Cons. Press A	155	2.30	2.30	2.30	2.30
1‡	1			Do. (B)	nil	..	1.00	1.75	1.00
38	31‡	.80+*.55		Cons. Smelters	11992	33	33¼	31‡	32½
6‡	4‡	•		Cons. Textiles	nil	..	4‡	5‡	4‡
..	..	1.00	4.9	Do. pref.	nil	..	..	..	†100
23¼	20	.80	3.7	Consumers' Gas	3295	20½	21‡	20½	21‡
33½	29‡	1.50	4.7	Consum. Glass	35	32	32	32	32
..	..	*.90●■		Cont. Can●	nil	..	..	..	85
5	4‡			Copp Clark	nil	..	4‡	..	5
18	†6	*.50		Corbys A	800	16‡	16¼	16‡	16‡
17‡	15‡	*.50		Do. (B)	142	15‡	16	15‡	16
13‡	12	.70	5.8	Cosmos Imp.	nil	..	12	12‡	12‡
7	6	.30	4.5	Craig Bit	nil	..	6	7	6‡
21	20	.60	3.0	Crain, R. L.	nil	..	18	20‡	20
11‡	10	*.35		Credit Accept.	40	†9‡	†9	†9	†9
..	..	..		Cres. Cream, pf.	nil	..	..	..	62‡
56	46	2.00	3.8	Crown Cork	100	52	52	52	52
26	22‡	.60	2.5	Crown Trust	46	23	24	24	24
69	52	‡1.80+■		Crown Zellers●	197	65	65	63‡	63‡
195	155	4.00	2.1	Crow's N. Coal	nil	..	192	205	195
51	49‡	3.00	6.0	David & Fre. A	20	50	50	50	50
12‡	10‡	•		Davis Leather A	160	10‡	11	10‡	10‡
4‡	3‡			Do. (B)	2	4‡	4	4	4
150	150	*1.00		De Havilland A.	nil	..	145	..	150
..	..	1.50		Disher Steel	nil	..	..	..	10
25	25	1.50	6.0	Do. pref.	nil	..	..	..	25
39‡	33	1.20+1.50		Distill-Seagram	6502	34‡	35‡	34‡	34‡
..	..	*10.00+6.00		Dom. Ang. Inv.	nil	..	395	..	350
..	..	5.00	5.3	Do. pref.	nil	..	95	..	95
24‡	19‡	.40+*.30		Dom. Bridge	3430	20‡	20‡	20	20‡
10‡	8‡			Dom. Coal, pf.	175	9	9	9	9
13‡	11	.80	6.2	Dom. Corset	nil	..	13	13‡	13
8‡	7‡			Dom. Dairies	nil	..	7‡	..	7
21	16	●		Do. pref.	90	17‡	17‡	16	17
12	7	*.30		Dom. Electro	50	11‡	11‡	11‡	11‡
26‡	22	.60+*.20		Dom. Engineer	175	23	23‡	23	23‡
10‡	9‡	.40	4.0	Dom. Fabrics	nil	..	10	11	10
24	22‡	1.50	6.7	Do. 2nd pref.	nil	..	..	22‡	22‡
35‡	27‡	.80	2.6	Dom. Foundry	3344	26‡	31	28‡	30‡
42‡	39	*1.30+.40		Dom. Glass	nil	..	38	38	38
61	59	3.00	3.7	Do. pref.	30	59	59	59	59
2.60	1.50			Isotope Pro.	600	1.50	1.55	1.50	1.50
28‡	25‡	1.50	5.6	Jam. Pub. Ser.	25	27	27‡	27‡	27
106	106	7.00	6.6	Do. pref.	nil	..	105	..	106
85	85	*a1.50+■		Johns-Man●	nil	..	..	..	85
11‡	10‡	*.15		Johnson Term.	200	†10‡	10‡	10‡	10‡
18‡	17‡	1.80	+.20	Journal Pub.	nil	..	16	18‡	18‡
17	13‡	1.00	+7.5	Kelvinator	220	14	14	13‡	13‡
..	..	..		La Comp. Fon.	nil	..	..	..	39
24	21	1.20	5.5	Labatt, John	2421	22	22‡	22	22
144	140	7.00	5.0	L. of Woods pfd.	5	140	140	140	140
17	13	.60	3.0	Lambert, Alf. A	3	13	12	12	12
19‡	16	.60	3.9	Do. (B)	212	18	15‡	15	15‡
..	..	..		Langley's, pref.	nil	..	..	..	18
..	..	..		Lafontaine	nil	..	..	..	95
21	18	*.50+1.20		Laura Secord	1280	19	19‡	19	19
11	9‡	.50+.10		Laur. Accept. A.	100	10‡	10	10	10
1.00	.75			Do. Wts.	nil	..	..	1.00	.99
21	20‡	*■		Lawson & J. A.	nil	..	20‡	21‡	20‡
..	..	*.10		Do. (B)	nil	..	21‡	..	21‡
10	8‡	.60	6.5	Lewis Bros.	nil	..	9	10	9‡

Where there have been no transactions during the week covered, the word "nil" is shown under sales and the quotations shown are the bid, ask and last sale price, instead of high, low and close.

Range 1956 High	Range 1956 Low	Div. Rate $	Y'ld %	Company	Sales	Last June 15	Week end. June 22 H	Week end. June 22 L	Week end. June 22 Close
37‡	47	*.88‡		Loblaw (A)	25	49	48‡	48‡	48‡
101	75	*.88‡		Do. (B)	nil	..	70	76	75
22	17	.40	2.3	Loblaw Comp. A	331	17‡	17‡	†16	17‡
23½	17¼	.40	2.1	Do. (B)	1902	17‡	18‡	17‡	18‡
48‡	41	2.40	5.5	Do. pref.	1157	43	43‡	43	43‡
90	73‡	▲1.50+12.5		Loblaw Inc.	200	76	77	75	75
..	..	..		Lochabar A	nil	..	10	..	..
..	..	..		Do. B	nil	..	2.50	..	..
..	..	4.00+	21.00	Loew's Theatres	nil	..	120	..	115
7‡	7	2.25	5.0	Do. pref.	nil	..	7‡	7‡	7‡
3	1‡	.50	7.5	Lon. Hose	nil	..	.75	2.50	2
7‡	6‡	*.60+.40		Do. (A)	nil	..

Mine and Oil Stocks

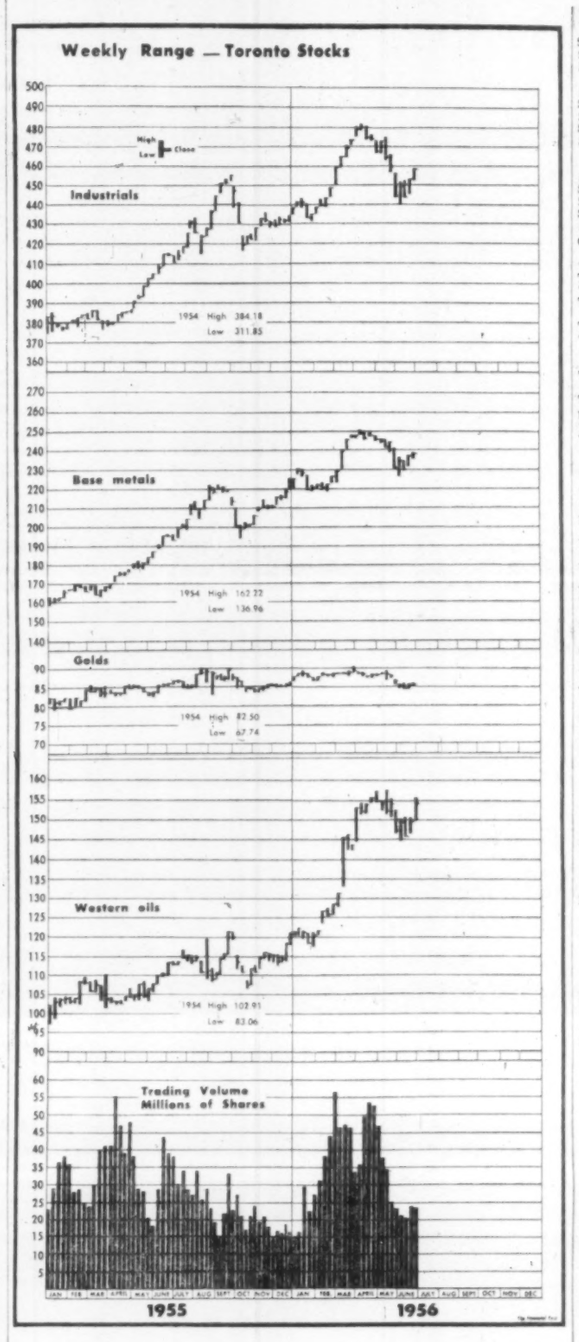
Range 1956 High	Low	Div. Rate $	Company	Sales	Last June 15	Week Ending June 22 High	Low	Close
38.00	31.25	.80	Cons. Smelt	11,992	33.00	33.12½	31.37½	32.37½
		+.95						
5.40	3.45	...	Cons. Sud'ry	25,513	4.00	4.00	3.90	3.95
.60	.35	...	Cons. Thor	33,450	.45	.47	.41	.41
.90	.55	...	Cons. Tung	70,150	.83	.84	.80	.83
3.25	1.40	...	Cont. Potash	4,725	1.50	1.50	†1.20	1.40
8.00	5.75	...	Conwest	2,050	6.40	7.00	6.50	7.00
6.65	3.25	...	Copper Cliff	19,478	4.00	4.10	3.90	3.95
2.00	1.42	...	Copper Corp.	10,000	2.00	2.10	1.85	1.88
.57	.39	...	Coppercrest	7,080	.50	.49	.44	.46
.56	.16	...	Copper Man.	131,382	.20½	.24	.16	.16
.13½	.05	...	Cortez	55,300	.11½	.12	.10½	.12
2.18	1.15	...	Coulee	35,450	1.43	1.54	1.40	1.45
.29	.17	...	Cournor	10,250	.20	.21	.19½	.19½
2.10	1.50	...	Cowichan	102,100	1.85	2.30	1.50	1.61
.16	.08	...	Crestaurum	3,000	.11	.12½	.12	.12
.37	.19	...	Croinor	8,000	.20	.24	.19	.19
.10	.05	...	Cron. Bab.	3,500	.05	.05	.05	.05
.73	.34	...	Crowpat	18,775	.40	.40	.36	.36
.00¼	.00¼	...	Cryderman	nil	...	.01¼	.03½	.00¼
.39	.16	...	Cusco	11,500	.19	18¼	.17	.18
1.26	.30	...	D'Aragon	58,300	.79	.79	.60	.61
2.10	.61	...	Decoursey B	21,900	.67	.68	.61	.61
.47	.32	...	Do. warr.	3,000	.27	.29	.25	.29
.85	.50	...	Deer Horn	2,600	.50	.50	.50	.50
.32½	.17	...	D'Eldona	68,161	.24	.25	.19	.21
.88	.70	.04	Delnite	600	.77	.70	.70	.70
1.05	.36	...	Deamond	25,750	.49	.47	.38	.38
.20	.13½	...	Detta Min.	10,200	.14½	.15	.13½	.13½
.94½	.28	...	Diadem	5,159	.52	.54	.48	.50
.30	.07	...	Dickstone C.	6,000	.16	.17	.16	.17
13.87½	13.75	.70	Dome M.	2,390	14.62½	15.25	14.37½	14.75
.28	.15	...	Dom. Asb.	29,500	.16	.20	.16	.18
.70	.42	...	Donalda	155,700	.50	.63	.52	.61
.09	.04	...	Doreen	nil	...	.06	.07	.06
3.05	.75	...	Duvan	78,000	1.13	1.18	1.01	1.04
.47	.18	...	Duvex	29,775	.29	.33	.28	.29
1.60	1.00	...	Dyno	19,000	1.10	1.14	1.06	1.06
.13½	.09½	...	East Amph.	11,500	.09½	.10	.10	.10
2.52	1.75	*.05	East Mal.	1,400	1.85	1.88	1.81	1.82
6.75	5.70	*.15	East Sull.	7,445	5.90	6.00	5.90	6.00
1.50	.98	...	East. Asb.	17,200	1.05	1.10	1.05	1.10
1.08	.62	...	East Metals	44,990	.68	.79	.68	.72
7.70	5.60	...	East Min.	77,575	6.45	6.60	6.05	6.25
.79	.49½	...	Elder	1,550	.51	.50	.49½	.49½
1.80	.70	...	Eldrich	100,950	1.08	1.35	1.12	1.20
.68	.09	...	El-Pen-R	1,245,140	.55	.68	.48	.67
.20	.09½	...	El. Sol	9,500	.15	.15	.12½	.13
.31	.19	...	Emerald	1,000	.21	.22	.21	.21
2.38	1.06	...	Eureka	53,800	1.62	1.70	1.50	1.54
.50	.30	...	Fab. Met.	4,800	.30	.40	.34	.40
38.50	29.00	*.50	Falconbridge	9,295	34.00	37.25	33.75	36.50
		+.10						
.49	.22	...	Fano	6,500	.30	.30	.26	.26
2.37	1.33	...	Faraday	15,950	1.55	1.60	1.50	1.58
.72	.22	...	Farw't Tung.	11,500	.25	.25	.22	.22½
.62	.20	...	Federal	2,600	.33	.36	.34	.36
.61½	.00½	...	Flin Flon	nil	...	.00¾	.01	.01
.28	.13	...	Fontana '45	17,500	.13½	.15	.13	.14
.70	.34	...	Forty-Four	nil	...	.33	.45	.34
.28	.07½	...	Francoeur	378,700	.22	.26	.21	.24
4.75	3.80	...	Frobisher	83,152	4.25	4.75	4.25	4.50
.60	.00½	...	Do. warr.	62,605	.02	.03	.00½	.00½
97.00	85.00	...	Do. 4% deb.	nil	...	86.00	90.00	85.00
.42	.25	...	Fundy Bay	11,000	.27	.28	.25	.27
.34	.32	...	Gaitwin	30,100	.32	.33	.30	.30
36.00	34.00	...	Gaspe Cop.	100	50.00	50.00	50.00	50.00
24.00	17.00	...	Geco	1,423	19.12½	19.00	18.00	18.00
.64	.32	...	Genex	1,500	.35	.35	.35	.35
3.90	2.00	...	Geo-Scient.	3,550	2.15	2.19	2.00	2.10
1.05	.70	.06	Giant Mas.	4,925	.75	.78	†.65	†.68
6.30	4.50	*.30	Giant Y'fe.	8,535	4.95	5.10	4.80	5.10
1.06	.70	...	Glenn Ur.	50,772	.84	.79	.70	.72
.46	.30	...	Goldale	17,000	.31	.34	.31	.34
.36	.25	...	Goldcrest	27,300	.24½	.26½	.24½	.25
.13½	.09	...	Gold Eagle	1,000	.10	.11	.11	.11
....	....	...	Gold Lake	nil	...	.01½	.02	.01½
3.00	2.80	...	Gold Man.	3,850	3.15	3.15	3.00	3.00
.60	.30	...	Goldfields	3,600	.32	.33½	.32	.33½
.45	.25	...	Graham R.	6,350	.26½	.26	.25	.25
19.75	14.50	*▲.25	Granby	310	15.00	16.62½	16.00	16.00
.63	.30	...	Grandines	59,250	.37	.38	.33	.36
.56	.40	*.02	Grandoro	nil	...	.50	.58	.50
9.45	5.60	...	Granduc	3,480	6.15	6.50	6.00	6.45
.22	.14	...	Grandview	7,000	†.13	.15	.14	.15
.03½	.02	...	Great Falls	nil	...	.03	.05½	.03
1.09	.48	...	Greyhawk	82,650	.52	.62	.51	.61
.21	.12	...	Gui-Por Ur.	3,600	.13	.13	.12½	.12½
1.49	.43	...	Gulch	21,037	.48	.49	.43	.47
.26	.14	...	Gulf Lead	45,300	.22	.17	.15	.17
19.75	15.25	...	Gunnar G.	10,245	18.87½	18.87½	17.00	17.50
12.75	8.50	...	Do. warr.	3,220	10.50	10.75	9.50	9.75
.29	.12	...	Gwillim L.	95,500	.15¾	.18	.15	.15
3.50	3.25	.20	Hallnor	100	3.45	3.25	3.25	3.25
.09	.04	...	Hamil.	3,000	.05	.04	.04	.04
.19	.12½	...	Hard Rock	24,020	.13½	.15	.13½	.13½
1.70	.70	...	Harr. Min.	115,910	.80	.84	.75	.83
.24	.17½	...	Hasaga	nil	...	.18	.19½	.19
.20	.13	...	H'd of Lakes	2,000	.13½	.15	.15	.15
2.09	1.10	...	Headway	45,070	1.37	1.52	1.30	1.42
.39½	.10	...	Heath	104,500	.28	.29	.25	.29
.13	.05¾	...	Heva G.M.	31,900	.11	.11¼	.10½	.10½
.85	.70	...	High Bell	10,025	.80	.80	.80	.80
30.12½	22.37½	.24	Hollinger	5,378	27.00	27.00	25.50	26.50
10.87½	4.95	...	Hoyle	4,635	8.20	8.20	8.05	8.15
88.00	64.00	*2.75	Hudson Bay	7,896	83.00	86.00	82.25	84.50
		+1.00						
.30	.09	...	Hudson R.	15,663	.21	.25	.22	.22
.53	.28	...	Hugh Pam.	4,500	.37	.35	.34	.34
.31½	.09	...	Imperial	12,000	.20	.18	.17	.18
.86	.15	...	Indian L.	43,325	.24	.25	.21	.21
.07¢	.04½	...	Indian M.	1,000	.06	.05½	.05½	.05½
1.74	1.16	...	Inspiration	21,252	1.26	1.43	1.26	1.30
98.50	78.25	*▲.65	Int. Nickel	19,174	92.00	95.12½	91.00	94.25
		+1.35						
131.87½	126.50	*7%	Do. pfd.	87	128.00	128.25	128.00	128.25
6.62½	6.25	*7%	Do. $5 pfd.	55	†6.00	6.50	6.25	6.25
1.82	.80	...	Int. Ranwick	15,300	.96	.95	.80	.85
3.85	2.65	...	Irish Cop.	1,050	2.80	2.85	2.70	2.70
4.75	2.75	...	Iron Bay	1,000	3.35	3.60	3.35	3.50
.01¢	.01	...	Island Lake	nil	...	.01	.01¢	.01¢
.31	.21	...	Iso. Uran.	8,500	.25	.27½	.23	.24
1.30	.32	...	Jackson M.	19,381	.42	.42	.38	.41
.40	.20	▲1.04	Jack Waite	6,250	.21	.22	.21	.21
		+.001						
.52	.26	...	Jacobus	3,005	.33	.34½	.31	.32
.36	.20	...	Jardun	11,700	.25	.26	.25	.25
1.38	.51	...	Jaye	126,015	.98	1.04	.94	1.02
.55	.28	...	Jeanette	270,827	.44	.55	.42	.55
		...	Jeep	nil	...			.22
.28	.09½	...	Jellicoe	340,731	.22½	.26	.22	.24
.22	.14	...	Joburke	141,615	.13½	.21	.13½	.16
1.50	.96	...	Joliet Que.	125,316	1.12	1.37	1.13	1.17
.50	.28	...	Jonsmith	85,900	.35	.38	.34	.36
1.24	.89	...	R. J. Jowsey	16,456	1.00	1.24	1.00	1.08
.12½	.06	...	Kenville	82,800	.08½	.12	.09	.11½
20.50	17.00	.80	K. Addison	3,906	19.75	20.00	19.62½	19.87½
.95	.40	...	Kerr Lake	nil	...	.55	.80	.61
.13½	.10	...	Keyboycon	7,000	.10	.11	.10	.10½
.90	.60	...	Keymet	nil	...	.66	.70	.65
5.10	3.50	...	Kilembe	3,600	3.85	3.70	3.50	3.65
2.20	1.35	...	Do. warr.	1,215	1.85	1.90	1.76	1.77
.92	.32	...	Kirk H. Bay	494,872	.85	.90	.82	.90
2.01	1.50	...	Kirk. Min.	2,482	1.70	1.72	1.67	1.68
.49	.24½	...	Kirk. Town	500	.26	.26	.26	.26
.43	.16	...	Kontiki Ld.	1,100	.19	.17	.17	.17
.05	.02½	...	Koot. Base	nil	...	.02½	.03½	.02½
25.00	18.00	...	Labrador	3,145	20.75	20.50	20.00	20.50
3.75	.85	...	Lake Cinch	10,200	.90	.90	.85	.85
3.55	1.95	...	L. Dufault	11,400	2.95	2.99	2.74	2.74
.25	.13	...	L. Lingman	14,250	.14	.20	.15½	.16
2.25	1.90	...	L. Nordic	33,540	2.90	2.90	2.75	2.75
.38	.20½	...	Lake Osu	2,200	.21	.21½	.20½	.20½
6.00	4.25	1.10	Lake Shore	200	4.25	4.50	4.25	4.25
.37	.23	...	Lake Wasa	2,650	.24	.25	.23	.23
4.45	2.65	.10	La Luz	2,000	4.20	4.20	4.05	4.15
2.55	2.80	*.10	Lamaque G.	1,500	3.00	3.00	2.90	3.00
.85	.68	*.03	Leitch Gold	2,000	.76	.80	.76	.76
.41	.12½	...	Lencourt	47,800	.17	.19	.14	.15
.35	.18½	...	Lexindin	11,500	.22	.24	.18½	.22
.27½	.15	...	Lingside	32,100	.17½	.19	.16½	.17½
2.50	.90	...	Lithium	2,000	†.70	1.15	1.00	1.15
2.60	1.29	...	Little L.L.	3,480	1.50	1.65	1.47	1.65
.26	.06½	...	Lomega	74,612	.20½	.22	.19	.21
2.18	1.10	...	Lorado Ur.	25,900	1.20	1.25	1.12	1.14
.40	.22	...	Louvicourt	7,500	.24	.25	.22	.24½
2.50	1.25	...	Lyndhurst	37,300	1.49	1.53	1.40	1.45
.17½	.08	...	Lynx Y.K.	8,500	.11	.12½	.11½	.12
2.30	1.90	*.06	Macassa	4,739	1.99	1.99	1.92	1.92
		+1.03						
1.51	.82	...	MacDonald	7,600	.86	1.00	.87	1.00
.24½	.14½	...	Macfie	11,000	.16	.17	.14½	.14½
.57	.32	...	Mackeno	203,880	.42	.49	.39	.40
1.49	1.21	*.05	Macleod	2,333	1.25	1.26	1.23	1.23
2.70	2.20	*.05	Mad-R.L.	5,190	2.50	2.50	2.44	2.50
.21½	.12	...	Magnet	8,000	.12	.13	.12	.12½
2.55	1.43	*.02	Malartic G.	5,150	1.50	1.50	1.43	1.45
.41	.20	...	Maneast Ur.	21,500	.27	.23	.20	.20
.49	.17	...	Maralgo	21,875	.33	.31	.28	.28
.35	.17	...	Marcon	18,300	.20	.22	.18	.21
.14	.09½	...	Marcus Gold	2,000	.11	.10½	.10½	.10½
5.20	2.15	...	Maritimes	31,170	2.95	3.00	2.80	2.85
3.25	.60	...	Do. A warr.	48,405	.93	.93	.75	.84
2.50	.70	...	Do B warr.	9,250	1.33	1.40	1.15	1.21
.39	.15	...	Martin McN.	24,500	.19	.19	.16	.16½
.65	.20	...	Massberyle	10,000	.40	.42	.42	.42
.95	.65	...	Matachewan	nil	...	.62	.90	.65
2.10	1.02	...	Mayburn	71,199	1.17	1.20	1.06	1.07
95.50	80.50	2.00	McIntyre	683	82.50	82.50	81.25	81.50
		+1.00						
.45	.32	...	McK. R.L.	14,703	.33½	.35	.32	.34
.25	.13	...	McMarmac	9,440	.13	.14	†.10	.14
.70	.28½	...	McWatters	13,700	.36	.48	.40	.43
1.37	.51	...	Mentor Exp.	4,100	.60	.63	.60	.60
.54	.20	...	Mercedes	69,437	.54	.50	.45½	.48
4.65	2.55	...	Merrill Is.	33,828	3.05	3.15	2.96	3.10
.40	.23	...	Meta Ur.	18,200	.23	.27	.23	.26
1.94	.81	...	Midrim	196,506	1.88	1.94	1.83	1.94
1.07	.43	...	Midwest	66,600	.63	.66	.62	.66
2.80	1.61	...	Milliken L.	23,100	1.88	1.99	1.90	1.90
.42	.17	...	Mindamar	2,000	.20	.19½	.19½	19½
29.37½	22.25	*.50	Mng. Corp.	2,545	24.00	25.00	24.00	24.50
		+2.25						
.98	.60	...	Min. End.	78,200	.95	.96	.82	.86
1.00	.29	...	Min-Ore	16,856	.30	.34½	.29	.31½
1.40	.70	...	Mogador	4,200	.85	.90	.85	.85
3.95	2.90	...	Mogul	20,100	3.00	3.20	3.00	3.20
1.74	1.20	...	Molyb'nite	5,100	1.28	1.27	1.20	1.20
.90	.72	*.05	Moneta	500	.76	.75	.75	.75
8.25	2.00	...	Montgary	54,750	3.85	3.90	3.60	3.00
.11½	.06½	...	Montpas	4,000	.08	.09	.08	.08
1.65	1.20	...	Multi-Min	4,490	1.25	1.25	1.20	1.25
2.15	1.02	...	Nama Cr.	13,800	1.16	1.30	1.15	1.30
1.47	.55	...	Nat. Ex.	89,900	.55	.64	.55	.61
.42	.22	...	Nello Min.	nil	...	.26	.30	.27
4.10	1.35	...	Nesbitt L.	20,100	1.40	1.48	1.40	1.40
.41	.22	...	N. Alger	77,200	.32	.33	.26½	.27
.93	.53	...	N. Athona	28,604	.56	.71	.55	.65
.31	.16	...	New Bid'le	3,500	.18	.19	.16	.16
1.30	.70	...	N. Calumet	9,450	.76	.77	.72	.75
1.15	1.00	...	N. Delhi	20,425	1.02	1.02	1.01	1.01
2.05	1.55	*.05	N. Dick'n	8,725	1.72	1.72	1.55	1.65
.64	.08	...	N. Form'que	233,200	.50	.60	.50	.56
.63	.21	...	N. Fortune	119,350	.44	.47	.39	.46
.36	.22	...	N. G'dvue	62,224	.30	.30	.23	.27
.40	.26	...	N. Har'na	9,175	.28	.28	.36	.27
1.19	.50	...	N. H'ridge	40,200	.67	.69	.65	.65
.50	.28	...	N. Hosco	2,500	.30	.29	.28	.28
.53	.14	...	N. Jack L.	118,725	.50	.53	.48½	.53
2.17	.33	...	N. Jaculet	1,418,171	1.75	2.03	1.84	1.95
.54	.20	...	N. Jason	69,239	.25	.27	.24½	.26
.33	.14½	...	N. Kelore	20,928	.19½	.19	.15	.17
5.00	4.50	...	Newkirk	267	4.75	4.90	4.75	4.90
.89	.35	...	N. Lafayette	43,450	.50	.54	.44	.44
1.13	.56	...	Newlund	128,525	.70	.82	.63	.74
1.35	.70	...	N. Manitoba	29,695	1.20	1.32	1.10	1.25
.90	.23	...	N. Minda-S.	42,625	.70	.74	.67	.68
.27	.15	...	N. M'lque	13,950	.16½	.17	†.14	.16
.15½	.11	...	Newnorth	6,500	.12	.12	.12	.12
2.00	1.48	...	N. Pac. Coal	4,200	1.50	1.57	1.55	1.57
2.00	1.48	...	N. Pc. Coal	4,200	1.50	1.57	1.55	1.57
.31½	.16	...	N. Rouyn	25,000	.23	.25	.21	.21
7.60	2.38	...	N. Royran	57,705	4.10	4.25	3.85	3.85
.16	.09	...	N. Santiago	44,500	.10	.12	.10	.12
.20	.08½	...	N. Senator	1,540	.11	.10	.10	.10
.37	.22½	...	N. Taku	nil	...	.28½	.31	.27½
.35	.17	...	N. Thurbois	12,625	.18	.19	.17	.17½
1.40	.10	...	N. Vinray	38,400	.11	.12	.10	.11½
.89	.63	...	Ponder	2,000	.70	.70	.63	.65
.82	.30	...	Pontiac	2,200	.38	.37	.31	.32
.31	.25	...	Poplar	560	.31	.27	.27	.27
6.90	3.30	...	Prairie	300	5.10	5.25	5.25	5.25
2.75	1.75	...	Provo	57,700	2.01	2.10	2.00	2.10
.14	.06	...	Que. Oil D.	97,000	.07	.07	.06	.07
.76½	.28	...	Quinalta	70,800	.74½	.74	.72	.72
.08	.02½	...	Realty	13,500	.04½	.05	.04½	.04½
1.02	1.02	...	Red Cont.	nil	...	...	...	1.02
.27	.08½	...	Reef Explor.	24,350	.14	.15	.11	.14
.07	.03	...	Renfrew	3,000	.05	.05	.08	.05
.19	.17½	...	Ridgeway	225,800	...	.19	.17½	.17½
2.05	1.70	...	Rio Palmer	13,804	1.94	1.90	1.85	1.93
.18	.10	...	Roxana	6,500	.12	.13	.11	.11
.12½	.07	...	Royal Can.	54,000	.08½	.09	.08	.08
15.75	12.50	.26	Royalite	16,725	13.00	15.00	13.12½	14.25
31.75	28.00	1.31½	Do. 5½% pf.	nil	...	30.00	30.00	30.00
.15	.08	...	Sage	4,000	.10	.10	.09½	.09½
3.80	2.55	...	Sapphire	8,400	2.60	2.60	2.55	2.55
155.00	108.00	...	Do. 3% deb.	50	115.00	113.00	112.00	113.00
2.69	1.75	...	Scurry-Rainb.	9,350	2.14	2.13	2.01	2.05
3.85	2.50	...	Security	13,020	3.25	3.30	3.10	3.25
.20	.10½	...	Select Oils	22,600	.20	.20	.16	.16
.12	.07½	...	Shre Oils	nil	...	.07½	.08	.07½
.45	.25	...	Souris Vl.	500	.30	.30	.30	.30
.40	.30	...	So. West P.	nil	...	.40	...	.40
.90	.45	...	So. Union	39,828	.53	.62	.50	.62
.43	.26	...	Sparmac	5,630	.28	.28	.27	.27
.60	.16½	...	Spooner	15,650	.35	.38	.32	.36
.89	.55	...	Stanwell	6,500	.80	.60	.59	.60
.25	.09½	...	Sturgeon	nil	...	.12½	.14	.12½
1.33	.75	...	Texas Cal.	2,000	.89	.94	.90	.90
2.50	1.60	...	Trans. Emp.	17,616	2.15	2.34	2.10	2.34
.54	.30	...	Trans-Era	299,850	.42	.43	.39	.43
.08½	.05½	...	Transfield	10,000	.06½	.06½	.06½	.06½
.20	.13	...	Trend	15,500	.15	.15	.14	.15
10.25	5.50	...	Triad	17,014	9.10	9.50	9.15	9.30
.18	.09	...	Tri-Zone	3,000	.10	.09	.09	.09
.35	.27	...	Turner V.	1,780	.29	.31	.29	.29
2.95	1.65	...	United Oils	36,627	2.40	2.65	2.35	2.53
.25	.15	...	Vanalta	1,000	.19	.20	.20	.20
.60	.26	...	Vandoo Con.	35,300	.29	.40	.26	.34
1.48	.82	...	Van Tor	90,135	1.46	1.48	1.30	1.47
.90	.51	...	Vulcan	10,883	.68	.70	.55	.70
.30	.20	...	Wespac	1,509	.22	.24	.24	.24
.94	.59	...	W'burne	9,300	.77	.80	.74	.79
.18	.12	...	W. Ashley	12,000	.13½	.13	.12½	.13
2.19	1.30	...	W. Decalta	15,254	1.85	1.85	1.72	1.80
.37	.22	...	Do. B warr.	5,154	.41	.46	.43	.44
5.80	5.00	...	W. L'holds	560	5.80	5.80	5.00	5.80
1.70	1.40	...	W. Maygill	620	1.42	1.45	1.40	1.45
1.20	.70	...	W. Naco	5,200	1.10	1.10	1.00	1.00
.35	.15	...	Do. warr.	1,700	.22½	.26	.23	.24
.22	.08	...	W. Warner	nil	...	.12	.13	.12½
.68	.41½	...	Willrich	7,250	.46	.46	.43	.43
.25	.15½	...	Y'ke Can.	7,500	.21	.18	.17	.17
.90	.58	...	Y'ke Prin.	46,310	.87	.85	.80	.84
.13	.07	...	York Oils	6,000	.08	.08	.07½	.07½

▪1 sh. Chib. Asb. for 10 shs. Que. Chib. ▲U. S. funds.
††Initial. ‡Payable in 1955. †Less than board lot. ▲When sale shown nil the figures are bid, asked and latest sale. *Payable in 1956 to date.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
June 25	957,200	3,839,000	336,409	174,208	2,140,000
June 22	942,600	4,681,000	344,039	268,914	2,260,000
June 21	1,037,900	3,944,000	326,385	288,855	2,530,000
June 20	1,110,700	3,721,000	271,948	248,394	2,350,000
June 19	989,900	4,253,000	264,947	232,084	1,950,000

Weekly Range — Toronto Stocks



Oil Stocks

.33	.17	...	Acme G.&O.	1,500	.19	.19	.18	.19
.85	.64	...	Ajax	1,600	.75	.80	.75	.77
.08	.03	...	Albedina	9,500	.05	.05½	.05	.05
.53	.29	...	Alta. P. Con.	37,937	.42	.52	.40	.50
.06¢	.02½	...	Aldina	nil	...	.05¾	...	.05
.31	.22	...	Altex	6,800	.23	.27	.22	.27
.07	.03½	...	Amalta	nil	...	.04½	.03	.04½
1.90	.82	...	Amer. Leduc	245,845	1.12	1.18	1.06	1.13
7.40	5.65	...	Amurex	nil	...	...	6.00	6.00
.24	.08½	...	Anchor	220,350	.17	.24	.17	.23
16.87½	12.75	...	Anglo-Am.	800	13.25	13.50	12.75	12.75
.25½	.11	...	Apex	96,100	.12	.18	.13	.18
15.25	8.80	...	Bailey-S. A	14,575	13.50	14.87½	13.50	14.12½
33.00	25.00	5.25	Do. 5% deb.	640	32.00	33.00	31.50	32.00
3.10	1.60	...	Banff	9,732	2.55	2.58	2.40	2.50
.10	.04	...	Barons	6,000	.04½	.05	.04½	.04½
.67	.51	...	Basco	7,950	.52	.56	.51	.55
.17	.09	...	Bashaw	7,500	.16	.17	.15	.17
.19	.12	...	Bata	10,300	.15½	.15½	.15	.15
.40	.19	...	Blue Crown	4,666	.24	.26	.23	.26
.68	.47	...	Bonnyville	19,455	.50	.56	.47	.50
1.45	.95	...	Brailsman	700	1.05	1.10	1.05	1.06
4.30	2.31	...	Britalta	13,500	2.83	2.80	2.62	2.75
.11	.05	...	Br. Peto	2,000	.07½	.07½	.07½	.07½
1.60	1.35	...	Cabanga	nil	...	1.40	1.60	1.40
1.80	.54	...	Calalta	21,020	1.45	1.50	1.40	1.50
28.50	19.37½	.10	Calg. & Ed.	4,315	27.25	27.87½	27.00	27.50
.50	.15	...	Calnorth	58,200	.40	.40	.36	.39
5.90	5.00	...	Calvan	950	5.00	5.75	5.30	5.70
4.00	1.80

Market Bid and Ask Quotations

Montreal & Toronto

Closing Quotations June 26

	Bid	Ask
xAbbican	35	45
Abitibi	38½	39
Abit pr	24½	24½
Acad-Atl	10	10½
Acad-At A	23	23½
Acad-A p	100½	104½
xAcad Ur	16½	17
xAcme G	18	19
Admiral	17½	17½
AgnewS	7½	7½
Agnew-S p	8½	9½
xAjax	75	80
xAkaitcho	51	55
xAlba Ex	39½	40
xAlta Dis	175	180
xAlta D v	150	155
AP Cons	49	50
Algom	16¼	17⅛
Do deb	97	97½
xAlg wts	800	825
Algoma	108½	109½
Alumin	125½	125¾
Alum 1 pr	24	25
do 2 pr	50¼	50½
xAm-Lar	16	16¼
xAmanda	70	72
xAm Led	108	110
xAm Nep	205	210
xAmurex	560	600
xAnacon	290	295
xAnchor	20½	22
An-Am E	122	124
An C P	53½	..
An-C Tel	44	45
Ang Hur	12¼	13½
xAn Rou	135	136
Anth Imp	26	26½
xApex Res	16	16½
xArcadia	226	228
xArcan	32	48
xArea	42	45
Argus	21½	..
Ar 2.40 pr	55¼	55½
Ar 2.50 pr	46	46½
xArjon	32	33
xAscot	27	28
Ashdn A	13½	..
Ashdn B	13	13
xAsh Tpi	400	..
Ash Ti A	97½	99½
Ash Ti B	9½	10
Atlan Acc	6	7
Atla Ac pr	17	19
Atlas St	25½	26
xAtlas Yk	21	22
xAtln-Ruf	13½	14
xAubelle	14½	15
xAumacho	41	42
xAumaque	20	21
xAunor	215	219
Auto Elec	12	12
Auto Ei A	9¼	10
Auto Fab A	5	5½
xAut F B	100	140
xAvillabma	12	12½
xBagamac	10	10½
xBailey Bi	14	14½
Bily Sel pr	31½	31½
xBanff	245	250
xBankeno	33	35
xBnkfield	11	11½
Ban Cdne	40½	41½
Bnk Mont	49½	50½
Bank NS	54½	55½
xBk NS r	325	330
Barb-Ellis	40	..
do pr	19¼	9
Barcelona	7¼	9
xBarnat	60	63
xBarvue	105	110
xBarvu wts	4	5
xBaryrnin	241	243
xBase Met	91	92
xBaska	27	29
xBata	15	15½
Ba Innes	..	9½
Bath Po A	63	63½
Bath Po B	38	41½
xB-Duq	220	225
Beatty	7	7½
xBeaucge	240	244
xBvr Ldg	33	35
Bevr Lum	19¼	19½
Bvr Lm A	202	204
Bv Lm pr	33	..
xBelcher	286	290
Bell Phne	45¾	45¾
xBell rts	106	106
xBelletre	193	254
xBevcon	30	36
xBibis	10½	11
xBicroft	260	265
xBctt wts	115	125
xBidcop	85	90
Biltmore	51	7
Biltmre pr	13	13½
xBlk Bay	61	65
xBlk Bay	9	10
xBlu Rib pr	27	32
xBonville	10	12
xBordulac	24	24½
xBouscad	22	24
xBouzan	266	275
Bowes	18	..
xBoymar	11	12
xBralsmne	540	545
xBralsmn	107	110
Br Crd A	17½	18
Br Crd B	9½	13½
Brazil	6¼	7
Brazil pr	85	95
Br Tnk pr	49	501
xB T wts	300	..
Bright	12	13
Bright pr	20	20
xBrilund	129	130
xBritalta	260	265
BA Oil	42¼	42¾
BCE 4 p p	88	89½
BCE 4½ pp	..	46½
BCE 4½ pp	49	49½
BCE 4½ p	100	100½
BCE 5 p p	52¼	52½
BC Forest	15½	15¾
BC Pak A	15½	16
BC Pak B	12½	13
BC Pow	42	42½
BC Phone	46	46¼
xBroul Rf	146	150
Bruck A	9	10
xBruck B	350	350
xBrunhrst	10	12
xBrnsmn	11	12½
xBrunsin	16½	17
Brunswick	11	11½
xBuffadsn	14	14½
xBuff Ank	72	75
xBuff Cdn	17	19
xBuff RL	91	95
Bulldog	200	400
xBulldog	13½	14
Bullochs A	7½	8
Bullochs B	5½	..
xBkr Hill	16½	17
xBurchell	50	53
Burlington	28	28½
Burns	12¼	12½
Burrard A	8¼	8½
xCata Pte	152	155
Cdwl 1 pr	23½	24½
Cdwl 2 pr	12	12½
Cal Ed	26¼	26½
Cal Pow	60¾	61
C P 5 pp	102	..
xCallinan	21	22
xCalnorth	38	39
xCdn Con	535	570
Camp Chb	19	19½
xCmp RL	560	585
C Fdy A	27	28
C Fdy Cm	16	18½
CI Fdy	35	36
CI F 4½	102	103
Can Life	151	165
Can Mchn	10	12
Can Malt	53	59¾
Cn Mt pr	23½	23½
xC Oil La	335	340
C O L w	210	220
C Pack A	37	37½
C Pack B	34½	35¼
Can Prm	96	96½
C sfe 4 pp	96	96½
xCS ol w	80	100
xCS Pete	320	335
CSL	27½	30
CSL pr	12½	12½
C Wire A	196	..
C W B nw	19	19½
xC Ad Oil	62	64
xC Astoria	44	45
xC At Oil	740	750
xCC Pow	42	42½
xCcn Baks	31	34
C Brk C	50½	51
Cdn Brew	29½	29¾
C Brw pr	30¼	30½
xC Brt Em	61	65
Cdn Camen	40¼	41
Cdn Celan	16	16¼
C Cel $1 pr	18	19½
C C 1.75 p	32¼	34
C Chm Cel	9¼	9½
C Collrs	9¼	9½
xC Coll pr	90	94
C Convrs	350	480
Do B	400	..
xC Del wts	62	70
xC De Pt	755	760
C Dredge	20¼	22½
xCEx Gas	633	650
C Fbnks	27½	28
Do pr	125	..
xCF Prod	325	330
CF Prod A	8	8½
CF Prd pr	55	60
CGE	760	1025
CG Sec A	23	23¼
CG Sec B	24	29
xC Hmstd	210	219
C Hdro C	9¼	10¼
C Ice Mch	52	..
Do A	11	12½
xCldstrm	136	140
xC Malart	42	43
Cdn Oil	23¼	23½
C O 4 pc	94	96
C O w 1953	8¼	8½
C O w 1955	325	375
CPR	30¾	31¼
C Ptro pr	29½	29½
C PL Pt	335	340
xC Prspt	320	550
Cdn Salt	21	21½
Cdn Tire	125	134
Do pr	90¾	..
C O w 1955	325	375
C Ptro pr	29½	29½
C PL Pt	335	340
xC Prspt	320	550
Cdn Salt	21	21½
Cdn Tire	125	134
Do pr	90¾	..
C Util pr	100	100½
C U 4½% p	..	92
C Vickers	34½	410
C Wall A	12	15
C Wall B	11	11½
CWN G p	17½	17½
xC Wilstn	310	345
xCandsa	180	195
xCanam	..	130
xCan-Ern	114	115
xCan-Met	230	231
xCanso N	138	145
xCanso O	196	204
xCariboo	60	70
xCassiar	820	835
xCastle	400	410
C Can Inv	26	..
Chart Trst	57	60
Ch T rts	350	375
Chatco	7	7½
Chatco pr	6½	6¾
Chat-Gai	15	15
xChm Res	490	495
xChsktn	10½	11
xChestvlle	36	40
xChib-Ky	60	62
xChib M	440	450
Chib Ex	106	112
xChimo	116	120
xChrom	310	320
Chrysler	64	64½
xCirc Br	290	300
xC Bar A	475	..
xCobalt	69	70
xCoch Wl	96	100
Coch-D	18	18½
Coch-D A	18½	20
Cockshutt	6¼	6¾
xCody-Rec	68	70
xCoin Lke	20	21
xColdstrm	148	150
Colwood	13½	..
Colwd pr	11	..
xColomac	14½	15
Comb Ent	10¼	11
Commodl	350	375
Com Pete	435	475
Do pr	95	..
xConiagas	220	225
xConiaurm	45	50
xConro	32	34
xC Alkmb	16	18½
Con Baks	7¼	7½
xC Belkno	65	66
C Betta G	37	40
xCon C Cd	18	19
xC Cordn	26	30
xCon Densn	101	104
xC D wts	385	390
xC Discvy	350	360
xC Dragon	38	40
xC E Crest	68	70
xC Fnmre	127	130
xC F B wt	23	35
Con Fire	7	8
xCon Gilis	12	13
xCG Arw	28	31
xC Guay	31	35
xC Halli	179	180
xC Howy	410	420
xC Marbr	45	50
xC M-C M	385	390
C M & S	321	322
xC Morsn	50	54
xC Moshr	75	76
xC Negus	57	58
xC Nichol	15	18
xC Nthld	137	140
xC Peak	15	15½
xC Petsh	24	25
xC Prs A	230	240
xC Prs B	160	175
xC Que	50	60
xC Red P	30	32½
xC Regct	86	88
xC Sanrm	14	15
xCon Sud	380	385
C Textle	16½	17
xC Tungtn	80	81
C W Pete	12½	13
Con Gas	202	204
Con Glass	30	32
xConwest	650	695
xCop Chf	385	395
Copp Clk	475	..
xCop Crp	187	190
xCoprcrest	42	48
xCop-Mn	16½	17
Corby vt	16½	16½
Corby B	15¼	15¾
xC Tungtn	80	81
C W Pete	12½	13
Con Gas	202	204
Con Glass	30	32
xConwest	650	695
xCop Chf	385	395
Copp Clk	475	..
xCop Crp	187	190
xCoprcrest	42	48
xCop-Mn	16½	17
Corby vt	16½	16½
Corby B	15¼	15¾
xCornwest	80	81
Cosmos	111	121
xCoulee	140	142
xCournor	17	19
xCowchn	155	165
Craig Bit	6	6½
xCrestaur	12½	13
Crn Cork	34	35
xCroinor	26	30
Crn Trust	24	26
Crn Zell	62½	63
xCrowpat	36	39
Crow's N	192¼	195
xCusco	19	19½
xD'Aargon	90	92
Davis A	101	11
xDavis B	375	425
xDe Cour	67	68
xDe C wts	27	29
xDeer Hrn	30	31
xDelnite	70	75
xD'Eldona	20	21
xDel Rio	335	340
xDesmont	32	33
xDetta	13	13½
xDev-Ldc	150	154
Dist Seag	34½	35
xDome E	800	810
Dome	132	142
Dom Ang	395	..
D Ang pr	95	..
xD Asbsts	18½	19½
D Coal pr	84	82
D Cor Co	13	13½
D Dairies	7	7½
D Dairs pr	17	20
D Diadem	43	45
Dom Elect	11	11½
Dom Fab	9½	11
do 2 pr	..	22½
D Fndy	31½	32
do pr	100½	101
Dim Ins	200	..
D Magnes	14	14½
Dom Scot	27	27½
do pr	48½	49½
D St Lord	20½	21
Do Stores	39	40
Dom Tar	15½	15¾
do pr	..	22
Dom Text	7½	7¾
do pr	136	136
xD Wool	195	200
xDonalda	56	57
Don Bros	..	37½
D Ropes B	14	14½
D & M n	130	140
Dow Brew	35	38½
xDuvan	107	109
xDuxev	29	30
xDyno	107	108
xE Amphi	9½	..
xE Malart	181	185
E Kootny	425	..
East Sull	595	600
xE Asb	105	110
xE Metals	67	69
xE Minig	625	630
East Steel	5	6
E Theat	26	..
Easy Wsh	15¾	16½
do pr	19	19½
Econ Inv	37	38½
Eddy	43	54
xElder	46	49
xEldrich	115	119
xElcta (C)	96	..
Electrolux	13¾	14
xEl Po-Ry	61	62
xEl Sol	12	15
xEm Glcr	221	24
Emp Life	86	90
Enl & Htg	11	12
Eqt Life	49½	51
Erie A	64	..
do B	265	..
Estabks pr	22	30
xEureka	143	150
xExcelsior	76	80
Falcnbdge	36	36¾
Fam Play	17	17½
Fanny F	22½	23
xFaraday	154	155
xFara wts	60	65
xFargo	275	280
xF'wt Tng	23	24
Fed Fire	53	..
Fed Grain	29½	30
do pr	28¼	28½
xFed Krk	32½	37
xFibre	490	500
do pr	..	5
Fittings	7½	8
do A	94	101
Flash F pr	10	..
xFit Mfg	115	130
Ford	55	55½
Ford A	124½	127
do B	125	130
Foundaton	23	23½
xFrncoeur	32	32½
Fraser	36½	37
Freimn pr	92	95
xFrobshr	440	450
Do debs	89	90
xGaltwin	49	50
Gatineau	27½	27¾
Do 5 pp	108	109
Do 5½ pp	109½	110
Geco Mns	17½	17¾
Gen Bake	5½	5¾
Gen Dyn	59½	61
GMC	44¼	44¾
xGen Pte	550	575
Do A	495	515
GP Mfg A	37	40
Do B	42	..
GS Wares	81	81
Do pr	93½	94
xGenex	34	36½
xGeo Sen	201	205
xGnt YK	500	505
xGlenn Ur	84	85
xGoldale	32	33
xGoldcrest	25	26
xGold Egl	11	12
xGold Mn	295	300
xGF Ur	32	33½
Goodyr	48½	50
Goulds P	..	16-
G Mcky A	7½	8¼
Do B	8½	9
Grafin A	15½	15¾
xGrah Bou	22	24½
Granby	16¼	16¾
Gr Toy	35½	40
xGrandns	33	34
xGrandcr	56	58
xGranduc	610	625
GL Paper	50	50½
GN Gas	6¼	6¾
Do pr	..	45
Do wts	315	330
Gr Pls Dev	41	43½
xGr Sw G	315	320
GW Cl A	102	110
Do B	94	94½
Grt West	..	19½
Greening	5	5
xGridoil	..	..
xGreyhwk	34	35
Guar Tr	21	22
xGulch	48	50
xGulf Led	15	17
Gunnar	17½	18
Do wts	10	10½
xGurney	200	300
Do pr	22	25
xGwillim	13	15
Gyps new	36¼	36¾
Hahn	21½	22½
Hallnor	325	345
H Cotton	13½	14
Do pr	96	..
Hard Cpt	8	8
xHar Mnls	18	19
xHard Rck	13	14
Hartz A	9	10
xHasaga	16	19
xH of Lks	14	15
xHeadwy	135	139
xHeath	24	25
xHees	365	400
Hendsht	26	29
Do pr	96	99
xHeva	28	31
xHigh Crst	60	61
xHigh-Bell	79	82
xHighwd	36	37
H Dauch	45	48
Hi-Tower	8	8½
Holden A	..	300
Do B	..	150
Hollinger	26	26½
Hm Oil A	132	132
Do B	121	121
H Smith	44	44½
Do pr	..	50
xHoyle	780	790
Hud Bay	83	83¼
xHugh -P	34	40
Hghs O A	15	15½
Do B	11¼	..
Do pr	..	26½
Hcr Erie	37	37½
xHusky	950	975
Do wts	410	420
Imp Bnk	56	56½
Imp Flo Gl	25	26½
Imp Life	65	68
Imp Oil	51½	51¾
Imp Tob	11	11¾
Do pr	62	7½
xInd Lake	22	23
Ind Acc	52	53½
Do 4.50 pr	97	99
Do 2.25 pr	45	48½
Ingersol A	8	8½
Inglis	14½	15
Inlnd C pr	15	15¾
xInspm	126	130
Int Brnz	102	111½
Do pr	22½	25
I Met A	41½	42
Do pr	..	101½
Int Mill pr	92	..
Int Nickel	94	94½
Do pfd	128	128½
Do $5 pfd	64	65
Int Pete	34½	35
Int Power	280	285
xInt Ran	78	80
Int util	48½	..
Intpr BC	12½	12¾
Intpr PL	38½	38¾
xIrish Cop	265	275
xIron By	360	370
xIsotope	130	140
xJ Waite	21	23
xJocobus	31½	38
Jam Pub	27	28
Jam PS	105	..
xJaye Exp	99	100
xJeanette	39	90
xJellicoe	21	21½
xJoburke	15	16
Johns-Mn	474	47½
xJoliet	122	125
xJonsmith	34	34½
Journ Ott	16	16½
xJowsey	104	108
xJupiter	261	263
Kelvinator	14	14
xKenville	11	11½
Kerr Add	19½	19½
xKerr Lke	..	80
xKeybycn	10½	11
xKaymet	66	70
xKilembe	365	370
Do wts	165	170
xKirk Hud	86	88
xKirk Mn	168	169
xKirk Tn	25¾	30
xKroy Oil	236	238
Ventures	300	300
Labrador	191	192
xLake Cch	68	75
xL Dufft	244	250
xL Ling	16	16½
xL Nordic	270	275
xL Osu	21	26
xL Shore	445	450
xL Wasa	23	26
L Wods pr	..	150
xLa Luz	410	420
Lamaque	300	305
Loura Sec	19½	20½
Laurent A	10	11
Do wts	..	100
L and J A	20½	21½
L and J B	21½	..
xLeitch	76	78
xLeonard	15¾	16
Lewis Bros	9	10
xLexin in	23	26
xLib Pete	280	285
xLL Lac	190	200
Loblaw A	48	53
Do B	70¼	70½
Do N A	17	17½
Do B	18	18½
Do pr	42¾	43
Loews	120	..
xLomega	19½	20
xLon Hos	..	250
Do A	7½	7¾
xLJ Pete	15	17
xLorado	115	120
xLouvicort	24	25
Pow St L	..	23
Lowney	20½	25
xLndhst	142	145
xLynx	12½	13
xMacassa	195	199
xMacdonld	92	95
xMacfie	14	14½
xMackeno	38½	39
Mackn Str	43	45
Do pfd	100	..
xMacLeod	122	126
MacMill A	42½	..
Do B	42¼	42¾
xMadsen	241	250
xMages	140	145
xMagnet	12½	14
Miman pfd	..	98
Do u pfd	..	36
xMalartic	148	150
xMast U	21½	25
M Leaf G	19½	21
M Leaf Ml	8½	9
Do pr	..	98½
xMaralgo	25	27
xMarcon	19	20
xMarcus	10½	11
xMarigold	27	29
xMaritme	275	280
xMr A wts	78	80
Do B wts	85	100
xMartin	17	18
Mass-Har	7½	8
Do pr	94½	95
xMatatch	60	90
Maxwell	7½	7¾
xMaybrn	106	107
McBne pr	10½	10¾
McCbe A	20	20
Do B	18	20
McColl	54	56
Do pr	98¼	98¾
McIntyre	79½	80
xMcKenzie	34	45
xMcMrmc	13½	..
xMcWatrs	42	47
xMcMrmc	13½	..
xMcWatrs	42	47
xMecc Chp	7	10
xMntr new	60	63
xMerrill	305	310
Merl Pete	17½	17¾
xMeta U	24½	25
Mex LP	..	16½
Do pr	12½	12¾
Mex Tram	..	15
xMidcon	110	111
Mid Pac	19	22
xMidrim	190	191
xMid-West	385	390
Do wts	200	220
xMill City	32½	35
xMilliken	183	185
xMilt Brk	390	400
xMndmr	181	221
Mng Corp	24½	24¾
xMin End	81	82
xMin-Ore	28	30
Mhl & Co	34½	..
Mod Cont	12	14
Do A	17	17½
xMogul	305	310
Molson A	..	23½
Do B	22	..
xMon Knit	5	5
Do pr	44	55
Mon Mort	45	..
xMoneta	74	75
Mont Lo	16½	17
Moore	42	48
Do A	76¾	..
Do B	1080	..
Mgn & Co	23	..
Do 4½% pr	100	101½
Mor Brass	7½	8¼
xMulti-M	130	134
xNama Cr	115	119
Nat Drug	11½	12
Do pr	12	12
xNat Ex	58	60
Nat Groc	16½	20
Do pr	26½	26½
N Hos A	425	..
Do B	5	5¼
Nat Lead	37½	38¼
xNat Pete	375	450
N St Car	29	30½
xSand R	14	15
xSapphir	255	259
Do debs	112	115
Sar Bridge	15	15½
xSas Cem	217	220
Scarfe A	12	14½
xScu'y-R	205	206
Scythes	..	15½
Do pr	24½	26½
xSecur F	315	320
Shawin	82½	83½
Do A	..	49
Do B	52½	..
xShawkey	16	17
xSheep C	150	164
xSherritt	895	900
Sher-Wm	40	42
Do pr	140	145
Shrf-Hors	9½	10
Sicks	26	26½
Do vt	25	26
Sigma	480	515
Silstnco	15½	16
Silknit.	17	..
Do pr	37½	..
xS Miller	139	140
xSil Stand	51	54
Silv'w'd A	12½	12¾
Do B	12	12½
Simon & S	10¼	..
Do 5% p	95¾	..
Simpsons	18½	19
xSiscoe	88	90
xSKD Mf	350	400
Slater n	16½	17½
Do pr	43½	..
xSlocan vr	23	24
Som'v'le p	50½	50½
xSouris	27	32
Southam	44½	47½
South Can	51½	51¾
xS U Oils	63	67
xSpan A	180	185
xSpooner	35	37
xStadacon	31	33
St Brands	38½	39½
St Fav	39½	41
St Racio	11½	15
St Brock A	8½	9
Do B	8	9
xStanwell	62	67
xStarratt	11	12
Stedmun	23	24
Steel Can	60½	60¾
x Do rts	235	240
xSteeloy	11½	12
Steep Rk	19	19½
Ster Tr	47	50
xStovel p	400	475
Stuart O	14½	14¾
xSturgeon	75	76
xSud Cont	16	16½
xSullivan	545	550
S Propane	7½	7¾
Do pr	25½	..
x Do wts	325	335
Suptest o	20	30
Do com	25	30
Do pr	100	101
xSurty O	114	118
Surf Inlet	12	12½
Switson	7½	7¾
xSylvan	115	120
Tamblyn	41½	41¾
Do pr	46½	47
xTandem	10½	11
Taylor PC	10	10¼
Do pr	11¼	..
xT-Hugh	202	205
xTemag	675	685
xTex Caig	88	100
xThom L	144	145
xTiara	24	27
TT Tailors	101	15
xTombill	35	38
xTorbit	75	80
T-Dom Bk	41½	41¾
x Do rts	300	305
Tor Elev	20	20½
T Gen Tr	..	37
Tor Iron	22½	23
Do A	22	23
Tor Mort	112½	..
Tor Sav	36½	..
xTowag A	25	27
T Fin A	41¼	41½
Do B	..	42
Do 4½%	..	101
Do 5%	44½	45
Do A rts	17½	..
Do B rts	15¾	..
xTrans C	180	184
xTrs-Em	220	227
xTrs-Era	41	42
Trans-Mt	632	644
Trans PPL	142	15
xTrs Res	39	41
xTrend P	15	16
xTriad O	915	925
Tuckett	137	..
Union Acc	5	5½
Do 2 pr	8	8¼
Un Gas	482	49
xU Min'g	22	24
xU Asbes	650	670
U Corp A	29	30½
Do B	222	222
xU Estella	18½	19
U Fuel A	..	60¾
Do B	..	33½
xU Keno	620	630
xU Mont	23½	25
xUn Oils	259	260
Un Steel	15	15½
xUpp Can	90	93
xVanad'm	385	430
xVandoo	34	35
Ventures	390	40
Viau Ltd	63	67
Viceroy A	7	8
Do B	400	450
xVico	180	181
Vic G Tr	25	26
xV'lamac	200	205
V Dare pr	..	154
xVulcan	70	71
Wabasso	16½	..
Waite Am	14½	14¾
Walk GW	69½	69¾
Wat Eq	14½	15½
xWeedon	70	72
Wellington	78	..
xW Mas p	..	14
xWespac	22	24
xW Malar	16	18
xW M'gill	190	220
Westeel	19½	19¾
xW Ashley	13	14
W C Brew	30	31
xW Decal	173	175
Do wts	40	42
W Groc A	37½	38½
Do pr	28	30
xW Lease	590	600
xW Naco	100	105
Do wts	25	27
Weston A	23	23½
Do B	23¼	24
Do pr	98	98½
White I pr	43	45
White P'ss	11½	12¾
xWillroy	265	269
xWilrich	43	45
xWiltsey	13½	14
xW'chester	11	12
xW'dward	32	34
Wpg Cent	13¾	13½
xWood A	375	375
GH W'd p	96	..
xWool C	285	300
xWr Harg	176	180
xYale L'd	35	38
xYan Can	16	18
xYellorex	12½	14
xYk Bear	218	220
xY Knit A	150	200
Do B	36	70
xYukeno	10½	11
Zellers 4½%	48	48
Zenmac	40	41½
Zulapa	36	40

xQuoted in cents.

Toronto Curb

	Bid	Ask
Andian	6	7½
AC Pulp	45	46
Ang-Nfld	11	11¼
Asbestos	40½	41½
B Am Bk	30	..

MARKS & SPENCER LIMITED

TURNOVER AGAIN A RECORD—OVER £118,000,000

CONTINUED EXPANSION AND MODERNISATION OF STORES.

"ST. MICHAEL" A GUARANTEE OF GOOD VALUE AND HIGH STANDARD.

The thirtieth Annual General Meeting of Marks and Spencer, Ltd., was held on the 14th June at 82, Baker Street, London, W.1.

Sir Simon Marks, D.Sc. (Chairman and Joint Managing Director), who presided, said: Ladies and Gentlemen: May I take it that, in accordance with customary practice, the Directors' Report and Accounts as circulated to you be taken as read?

Death of the Rt. Hon. L. S. Amery, C. H.

Before we pass to the business of the meeting, it is my sad duty to report formally the death of one of our senior colleagues, Mr. Leo Amery.

Leo Amery's association with the Company goes back nearly twenty years. He joined the Board in January, 1936 and, apart from the war years, when he held ministerial office as Secretary of State for India, he remained a member of the Board until his death last September.

Leo Amery was a man of rare vision and great charm. The vigour of his mind, expressed in speech and in his many writings, remained undimmed by age. He will be sorely missed in our deliberations.

Profit and Loss Account

Our profit for the year, after tax, amounts to £4,955,000—an increase of £486,000 on last year. Provision for taxation requires £5,175,000 against £4,600,000. With £2,515,000 brought forward, there is available for distribution £7,470,000.

The Board recommends a final dividend on the Ordinary and 'A' Ordinary Shares of 32½% which, together with the interim dividend of 17½%, makes a total of 50% for the year, against 45% last year.

£2,000,000 is to be transferred to the General Reserve bringing it up to £10,536,000. After an increased allocation of £150,000 to the Staff Benevolent and Pensions Fund, and the payment of dividends, the balance carried forward will be £2,628,000. The total Reserves of the Company, Capital and Revenue, will amount to £33,886,000.

Properties

Our freehold and leasehold properties and their equipment stand in the Balance Sheet at £43,454,000 against £38,966,000 last year—an increase of nearly £4,500,000.

Subsidiary Companies

Our advances to Subsidiary Companies have increased by £505,000 to £2,624,000, due to higher stocks of materials essential for our business.

General Survey

There was a further substantial increase in our sales during the year. The turnover exceeded £118,000,000, against £107,000,000 last year.

The history of our business since the end of the war is a record of uninterrupted progress, which has kept pace with the rising prosperity of the community. Ten years ago in the first full year of peace, 1946-47, our turnover was a little over £26,000,000, and the profit, after tax, £1,176,000. Today we are able to report a sales volume four-and-a-half times as large, and a profit that has increased in a like proportion. The properties and other fixed assets of the Company, which in March, 1947, stood in the books at £8,250,000, now stand at £43,500,000 after the revaluation of our properties carried out early in 1955. Our stock of goods and materials at cost have risen from about £1,000,000 to a little over £12,000,000.

Many factors have contributed to this remarkable expansion of your Company, but above all, it is due to our concentration upon the simultaneous development of our merchandise and our Stores. The character of our goods has been changing along with the character of our Stores.

Merchandising Policy

Throughout the post-war period, our merchandising policy has been governed by official schemes affecting the manufacture and the sale of textiles. The Utility Scheme dominated the scene until 1952. It was succeeded by the 'D' Scheme, which had the effect of releasing our initiative to develop our own materials, specifications and original styles of garments.

Our achievement, during this short period of four years, in raising the quality, value and attractiveness of our goods to the public is the result of a combined effort on the part of many members of our organisation, in close co-operation with our Manufacturers.

We set high standards for our goods, which we seek not merely to maintain, but to improve. We, therefore, are engaged in a continuous study of developments in the textile field which will enable us to bring better and finer materials as rapidly as possible into the service of our public.

We specify or control the production of our fabrics, both woven and knitted, throughout all the phases, from yarn to finished materials, and so to the final garment. We are thus very much concerned with any new developments which may lead to improved or more desirable fabrics. This task devolves upon our scientific and technical staff, who co-operate with our Executives responsible for the production and the distribution of the finished goods.

New Textile Techniques

Many changes are taking place in the textile field. New techniques are being evolved to improve the traditional fabrics, such as cotton, wool and rayon. Of special interest to us is the growing influence of new man-made fibres upon our textile goods. Nylon and terylene, with their unique properties, are now making their appearance on a commercial scale. Until quite recently their share in our total sales was small, but it is now steadily growing. Nylon in particular, is becoming a most important factor in our increasing business.

We thus have at our command a great variety of fine attractive materials which are the basis of essentially new goods and values, and which our customers welcome.

It is with pride that we can state that 99% of our textile goods are made in Great Britain from yarn to garment. Our brand-name, "St. Michael", is a household word, and a guarantee of good value.

Food Division

Our Food Division, which is an important section of our business, specialises in a highly selective number of food items. This is particularly so in our Bakery products department and Fruit department, which are growing in public favour.

We aim to satisfy the large and growing demand for quality foodstuffs at reasonable prices. In this policy we enjoy the co-operation of leading producers.

As the public well knows, we attach the greatest importance to hygiene and cleanliness in the production, handling, and counter display of foodstuffs. It is pleasing to report that our customers are most appreciative of the care we take in this regard.

Price Policy

In the emergency Autumn Budget of last year, the 'D' Scheme was superseded by a straight purchase tax of 5% on the wholesale value. The effect was to increase the proportion of our textile merchandise bearing tax from 30% to 80%. The new tax was in operation for only five months of the last financial year, but our tax payment was £750,000 higher than it would have been under the former scheme. We bore a considerable proportion of this tax ourselves by maintaining our prices unchanged for some months. We estimate the cost of this tax in the present year, will amount to some £4,500,000 or £1,750,000 more than under the 'D' Scheme.

We were much concerned with the effect of the purchase tax on our prices. We decided that a prompt re-examination of costs was called for in order to see how, despite the tax, we could maintain our prices at the pre-budget level at least.

A continued upward drift of prices, if unchecked, could only lead to a further inflation of the national economy. The vicious circle of prices and wages would continue with its baneful effect on our economy, and on the internal, as well as the external, value of the pound.

We, and our Manufacturers, have a common interest at all times in maintaining our values, and most certainly in countering upward price trends, which would have the effect of narrowing our market.

I am glad to report that our discussions with our Manufacturers have shown that they are in agreement with us as to the wisdom of this policy, and they are co-operating with us most readily. Our efforts have met with some success, and we have been able to lower our prices to the public over a wide range of goods. In so doing, we have maintained the same standards of quality upon which our reputation has been built. The reaction of the Press, and the response of the public to this policy, has been both gratifying and encouraging.

Store Development

In my speech last year, I told you that we had set in motion a considerable programme of building and development work. The lifting of building controls in the previous Autumn had enabled us, for the first time since before the war, to draw up a systematic plan for the extension and improvement of our Stores. I said that the investment required would be large, and, in order to ensure that the programme went forward at the pace we considered desirable, some additional funds would be needed.

We were, at the time, negotiating with the Prudential Assurance Company to borrow an additional £4,000,000. The loan, which was to take the form of a Debenture Stock Issue on most favourable terms, was finally agreed in the middle of July, 1955.

Chancellor's Appeal

Our formal application for approval to make the Debenture Issue was submitted to the Capital Issues Committee on the 22nd July, three days before the speech of the Chancellor of the Exchequer in the House of Commons on the balance of payments situation. He appealed to business firms to slow down investment not of the greatest national urgency, and asked all those embarking on investment projects to consider whether they could not postpone their initiation.

In their reply, the Capital Issues Committee asked us whether, in the light of the Chancellor's appeal, we needed to raise the proposed sum at the present time. After careful consideration, the Board decided that we should not proceed further in the matter of the Debenture Issue, but that we should revert to our long-standing policy of financing our development from our own resources.

Capital Expenditure

We had, however, embarked on the first stage of an extensive programme, which would necessarily take some time to re-phase. In the past year, we actually spent some £6,500,000, the largest sum we have ever invested in Store development in any one year. There is a balance of work, amounting to approximately £2,500,000, to be completed during the current year, and we shall shortly be examining new projects for inclusion in the next stage of the programme.

In the past year we have rebuilt and reconstructed some 25 Stores, and in every case have substantially increased their space and facilities. This year we hope to complete the rebuilding of the last 3 of our bombed Stores. The 15 Stores which were destroyed by enemy action will all be in full operation during the present year. They now represent an important and imposing part of our chain.

Post-war Development

Since the war, the sum spent on our development exceeds £25,000,000, all of which has been found from earnings. The bulk of this expenditure represents the cost of rebuilding and reconstructing many Stores on much more spacious lines. They have all been completely re-equipped with counters and display racks. Our properties have been maintained in good order and condition.

Some £3,500,000 of this sum has been spent on the enfranchisement of a number of our leasehold properties, and on the purchase of additional land and sites. We have thus a substantial reserve of land for future development.

Modernisation has given our Stores a new look and a character more in keeping with the specialised goods we are selling. Our volume of business indicates that the millions of customers who throng our Stores each week find them pleasant and attractive places in which to do their shopping.

Tribute to Manufacturers

We have, over the years, developed with our manufacturers a spirit of mutual understanding and confidence. We have learned to appreciate each others special problems, and to deal with them in the most practical and helpful way. We have noted with pleasure their parallel growth with ours. Thanks to their investment in new factories, machinery and equipment, they have so increased their productive capacity as to be able to meet the growing demands of our public.

In our policy of up-grading the quality and the value of our goods, we have found in them most willing and able partners. In the search for better goods and values, our technical staffs work in harmony with each other, notably in agreeing on specifications and quality control. This team work and joint effort are important for the future development of our business, because it is mainly by pursuing modern methods that we can hope to find a still wider acceptance of the goods we sell.

It is therefore with great pleasure that I express, on behalf of the Board, our appreciation at the splendid co-operation of our manufacturers.

Tribute to Staff

Each year I am privileged to ask you to join me in paying tribute to our staff. Our continuing success owes much to their loyalty and devotion, and to the skills they bring to their daily tasks.

In the past year substantial increases in wages have been awarded to our staff, new scales have been introduced which have given much satisfaction. Apart from high standards of pay and annual bonuses, your Board is always concerned with the happiness and the well-being of the staff. We endeavour to provide the appropriate amenities, which help to create pleasant working conditions; comfortable lounges where they can rest and relax, attractive dining rooms where good meals are available at very low prices, are all at their disposal. To this service alone the Company contributed some £750,000 in the past year.

Our welfare work covers a wide field. We encourage and support all kinds of activities, social, cultural and athletic. Our staff organise this work for themselves, for their hours of leisure and pleasure. We believe that such activities help to cultivate a strong feeling of comradeship with each other, as well as to foster a sense of attachment to the firm, which your Board greatly prizes.

The report and accounts were unanimously adopted and the proposed dividend was approved.

The retiring directors, Mr. Michael D. Sieff and Dr. E. Kann, F.R.I.C., were re-elected; the remuneration of the auditors, Messrs. Deloitte, Plender, Griffiths & Co., was fixed, and the proceedings terminated with a vote of thanks to the chairman, directors and staff.

Look For Iron — Find Copper Also

Belcher Mining Drills Cut Over 6% Copper In Two Holes

An unsuspected occurence of high-grade copper as drills probed for magnetite this week opened up the possibilities of a new copper area—in the Belcher Islands.

Two drill holes a half-mile apart being put down by Belcher Mining Corp. on its magnetite deposit cut an 8 ft. 5-in. true width of massive chalcopyrite immediately below the magnetite, D. Banks, president of Belcher, told The Post.

Assays of split cores from hole 32 gave 6.3% copper and hole 33 6.8% copper, Mr. Banks reports.

These holes were drilled on the southern half of Innetalling Island and are the first in the area seeking to extend the magnetite deposit drilled over a six-mile length. Indicated length of the favorable area is more than 18 miles.

The drills cut through more than 150 ft. of magnetite and then ran into the copper. Mr. Banks estimates that total depth of the holes is not more than 250 ft.

This is the first copper encountered by Belcher Mining in its drilling program.

The company has completed 36 holes of the current campaign with all holes cutting the magnetite beds. Average thickness is better than 150 ft. of uniform grade. Another 40-50 holes are planned this season.

Drilling this year follows preliminary work in 1955 when the deposit was discovered. Procedure is to drill sections a half-mile apart at 400 ft. intervals.

425 million tons

Mr. Banks says 425 million tons of open-pit magnetite ore have been proven by close-drilling. The company has reached the point where no further exploration on Innetalling will be required after this season. Other favorable areas on other islands in Belcher group will be explored, he adds.

Objective had been to prove 400 million tons of open-pit material to sustain a 10 million ton a year operation for 40 years. Such an operation would give 3 million to 3.5 million tons of concentrates a year, he says.

Preliminary tests indicate the material will make a premium-grade concentrate of 65.45% iron and very low in phosphorus and sulphur and without titanium, Mr. Banks reports. Exhaustive tests are being made to determine the best method of handling the ore.

Engineering consultants now are collecting information to calculate the costs of putting the property on a production basis. Markets for the ore, financing plans and other pre-production work is being considered, he reports. German, Belgian, Swiss, British and U.S. interests have approached the company.

Mr. Banks says direct shipping from the island to markets in Europe or in North America is possible through five to six months of the year.

Geologists Aid New Mine Makers

Ontario and Saskatchewan have drawn up plans for geological work to aid Canadian mine-makers.

Areas being actively prospected for base metals of radioactive minerals are the main projects for investigation by the 14 geological parties being put in the field in Ontario.

The Kakagi Lake area, district of Kenora, with deposits of nickel, copper and gold, is to be geologically remapped. Reconnaissance will be made of the area south of Beardmore, in the Georgian Lake area, district of Thunder Bay, where lithium occurrences are being explored.

Other projects for investigation are:

Blind River, Algoma, studying conditions affecting distribution of radioactive minerals, Porter Township, Sudbury, for mineral occurrences; Sudbury area, three parties doing geological mapping; Tisdale Township, Cochrane, mapping of north half; Cobalt area, Timiskaming, study of Cobalt Camp minerals.

Methuen Township, Peterborough, study of nepheline syenite occurrences; Ashby and Denbigh Townships, Lennox and Addington, mineral examination; Monmouth Township, Haliburton, examination of radioactive and other mineral occurrences; Haliburton-Bancroft area, continued study of radioactive minerals; southwestern Ontario, general survey of groundwater resources.

Favorable prospecting areas in Saskatchewan will be outlined and mapped by two five-men parties this season. Three smaller parties will investigate specific mineral occurrences.

Manawan Lake, 90 miles northeast of Lac La Ronge, will be mapped on a scale of one mile to one inch by a five-man team. Wapus Bay, Reindeer Lake, will be mapped by a second group. Both parties will have two-way radios.

The three small parties will investigate copper occurrences in the Lac La Ronge area, iron deposits in the Black Birch-Frobisher Lake region and make geochemical and geophysical investigations in the Amisk Lake area near Flin Flon.

BAILEY SELBURN OIL & GAS LTD. has received payment covering an additional 32,893 Class A shares at $10.50 (Canadian) or $10.76 (U. S.) under underwriting and option agreement with a group of Canadian and U. S. underwriters. Now 2,652,487 A shares issued and 1,347,513 in treasury.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

Mining

TRANSCONTINENTAL RESOURCES had a net profit of $156,297 in 1955, up from a profit of $22,554 in 1954.

During the year the company sold share positions in Jellicoe Mines and Maralgo Mines and increased holdings in Bralsaman Petroleums by 27,200 shares.

New financing since the year end resulted in cash and government bonds at the end of April of $437,848, compared with $263,178 at the end of the year, J. D. Mason, president, says.

Here are reports on some of the controlled and associated companies.

Yukon Explorations production this year should approach $400,000. Output in 1955, including gold bonus was $293,302 and net profit was $52,960. A capital distribution of $75,000 was made to bondholders in May, 1956.

Noland Mines underground gold placer mine was operated on a limited scale with 2,485 fine ounces gold produced. Mining will continue this year.

Bralsaman Petroleums is working to obtain the gas franchise for Prince George, B.C. **Isle of Pines Mining** is completing negotiations with Cuban interests for $400,000 to be invested to develop three more levels.

The Isle of Pines Cuban property is equipped with a 250-ton mill and production could be resumed on short notice. If favorable results are obtained, a majority interest will be sold to the Cuban principals and the mine will be placed on an operating basis, Mr. Mason says.

Brikon Explorations is continuing development this year on four large copper-bearing gossans in northern British Columbia.

New property acquisitions include **Blue Ledge Copper Mine** in California where underground development has blocked out some 150,000 tons of ore grading 3½% copper, $3 precious metals and 3% zinc. Methods of financing a 250-ton milling plant and placing the property into production are being considered.

Transcontinental and Yellowknife Bear are acquiring an 85% interest in **Lake Shore Copper Property** in Arizona. Drilling has proven up "reasonably assured" open-pit ore totaling 1.3 million tons with a further 700,000 tons probable. The ore body grades 1.7% copper. Negotiations are under way to secure an additional 200 square miles exploration concession on the area surrounding the mine.

POWELL ROUYN GOLD MINES had a net profit of $97,047 in 1955, compared with a loss of $50,164 in the nine months ended Dec. 1, 1954.

Mining operations at the main Rouyn property were discontinued at the end of the year and the company is now concentrating on building up its treasury to participate in outside ventures, J. C. L. Allen, president, says.

Murray Watts, general manager, reports that outside exploration activity was centred on a base metal discovery in the Gerido area of Ungava where 88 claims were acquired in one block, adjoined on the north and south by Holannah Mines. Geological mapping and geophysical surveying indicated several anomalies and diamond drilling is being considered.

INCOME ACCOUNT

	Year ended Dec. 31 1955	9 mos. ended Dec. 31 1954
Ore shipments	$644,968	$575,935
Less: Oper. costs	556,365	510,298
Oper. profit	88,603	65,637
Add: Misc. receipts	11,632	27,558
Est. cost-aid	2,595	67,703
Less: Outside expl.	.....	2,170
Shaft costs w/o	.....	203,586
Loss re secur. sale	593	5,306
Net prof. & surp.	$7,047	*$50,164

*Loss or deficit.

†Debit adjustment of 1954 cost-aid claim.

Earnings per Share	$0.08	d$0.04

None paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash & bullion	$217,752	$268,343
Govt. bonds*	330,075	129,000
Accts., etc., rec.	106,678	4,366
Est. cost-aid	.....	30,000
Stores at cost†	10,626	57,534
Total curr. assets	665,131	489,243
Prep. chgs.‡	13,527	13,191
Mktble. invests.§	139,333	4,612
Unlisted invests.	22,067	17,353
Mining props.	1	645,075
Plant & equip.▲	142,875	160,130
Outside prop. exp.	17,000	.....
Total assets	999,939	1,329,604
Accts., etc., pay.	90,483	73,162
Royal. tax pay.	2,550	4,600
Total curr. liab.	93,033	77,762
Capital stock	1,162,049	1,162,049
Surplus	▪255,143	89,793
▲After depr. of	214,029	868,067
*Market value of	322,965	128,810
§Mkt. value of	136,892	4,500
†After allowance for loss of	25,000	35,000
▪Deficit.		
‡Included in curr. assets in co.'s report.		
Working capital	572,098	411,481

OPERATING STATISTICS

	1955	*1954
Tons milled	132,124	116,075
Average recovery	$4.88	$4.96

*Nine-month period, Apr. 1 - Dec. 31, 1954.

CROWN ZELLERBACH CORP. issued an additional 4,525 common shares under employees stock option plan. Now 13,790,140 common shares outstanding.

SILVERWOOD DAIRIES LTD. during May issued 5,300 Class A shares upon conversion of 5% convertible sinking fund debentures, and 580 under option to employees. Now 601,747 A shares outstanding.

EXHIBITORS!

Dramatize Your Product Story For Maximum Results

Planning
Writing
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GEORGE TAGGART

SHOWMANSHIP SERVICES

Specialists in "Live" Presentation

Attractions - Themes - Demonstrations
Models - Actors - Coaching - Costumes
Complete Follow-through Guaranteed

WA. 1-3161

37 Isabella — Toronto 5

Have you 10 to 24 employees?

Healthpac . . . an absolutely new idea in life, sickness and accident insurance is available to you and your employees without the usual health requirements.

Some other outstanding features of this plan . . .

1. **SIMPLE TO INSTALL—no waiting for coverage.**
2. **ONE NEAT PACKAGE — contains everything needed to announce the plan to your employees and to install it in a few hours.**
3. **NO MYSTERY ABOUT RATES — you can quickly calculate when you pay by following simple instructions.**
4. **EASILY ADMINISTERED — by anyone in your office without complicated applications or claim forms—and a complete lack of red-tape.**
5. **LOW COST — naturally!**

For information on this unique plan, send in this coupon—no obligation of course.

HEALTHPAC, DEPT. 3,
CROWN LIFE INSURANCE CO.,
120 BLOOR ST. E., TORONTO

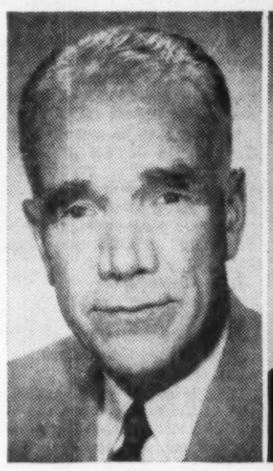
Please send me more information about Healthpac. We have ..... employees.
Our type of business is .....

To: Name .....
Address .....
.....

CANADA WIRE & CABLE CO. had 1,040,340 new Class B shares outstanding at May 31.

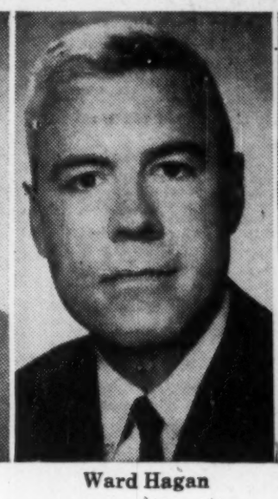
CANADA FOUNDRIES & FORGINGS LTD. had 22,086 Class A shares outstanding at May 31.

ANNOUNCEMENT



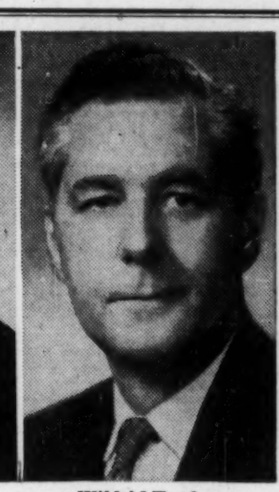
A. R. McGill

Vice-president and managing director of Young & Rubicam, Ltd., for the past 12 years, Mr. A. R. McGill is relinquishing his present duties late this summer and will join the New York office of Young & Rubicam, Inc., it is announced by S. S. Larmon, president of the agency. At the same time Mr. Larmon announced the appointment of Mr. Ward Hagan as vice-president and manager of the agency's Montreal office. Toronto office operations will continue to be directed by Mr. R. B. Collett, vice-president and manager.

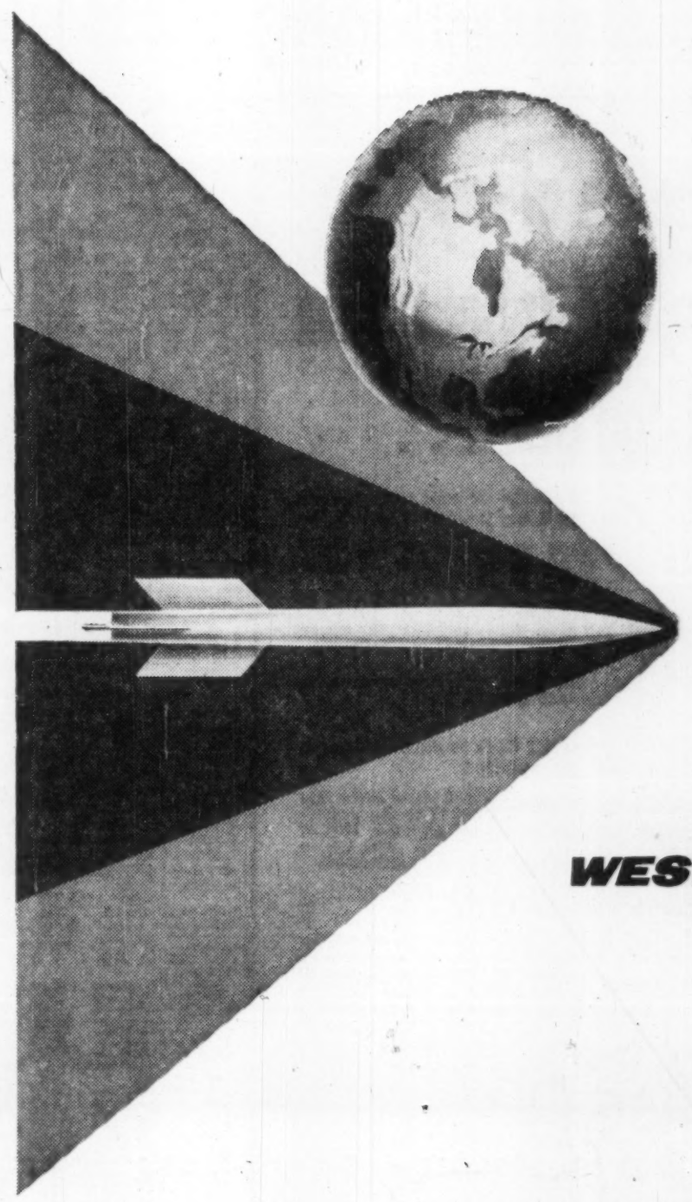


Ward Hagan

Mr. Wilfrid Taylor becomes vice-president and head of creative operations in Montreal. Mr. Hagan has had wide and varied experience in advertising in both New York and London offices of Y & R and comes to Montreal from Y & R England. Mr. Taylor, with 20 years' experience in sales and advertising, has been with the agency since 1948.



Wilfrid Taylor



Our Formula Is No Secret!

You have at your call the finest Electronics Engineering Staff in Canada—backed by the most complete laboratory and production facilities ever assembled in this country.

This is our formula—the reason why WESTINGHOUSE sets the pace in Canadian electronics!

WESTINGHOUSE engineers are selected for their imaginative, resourceful talents. They're encouraged to think and work *creatively*, with comprehensive technical libraries and experimental equipment always at their disposal.

In turn, WESTINGHOUSE—an established leader in advanced military electronics development—gives *you* the benefits of this unsurpassed background, for use in your commercial or industrial field.

So *watch* WESTINGHOUSE—and *call* WESTINGHOUSE if you are wondering how electronics can serve your operation. Your answer might be on the WESTINGHOUSE drawing boards right now!

WATCH WESTINGHOUSE ELECTRONICS AT WORK IN...

Industrial Control Systems
Point to Point Communications
Broadcast Systems
Induction Heating
Guided Missiles
Air Defence Ground Radar
Microwave and Scatter Communication Systems
Torpedoes
Gun Fire Control Systems
Sonar Systems

CANADIAN WESTINGHOUSE COMPANY LIMITED
ELECTRONICS DIVISION
HAMILTON, CANADA

Watch Westinghouse . . . Main Aisle . . . Canadian I.R.E. Show . . . October 1-3

ANNOUNCEMENT

CANADA ELECTRIC CO. LTD.

D. FRAZER A. J. SPAFFORD

C. H. Chapman, President and E. F. Longfellow, Vice-President and Managing Director of Canada Electric Co. Ltd., electrical contractors, wish to announce the appointment of D. Frazer as Secretary-Treasurer and A. J. Spafford as General Manager.

Can-Met Warrants at $2.25

See Five-Year Operating Profit of $32 Million

Can-Met Explorations Ltd. this week completed financing of its Blind River uranium property. Two bond issues totaling $18 millions have been arranged with $12 millions being offered investors by a syndicate of investment dealers headed by Ross, Knowles & Co., and W. C. Pitfield & Co.

The financing consists of:

—$6 million 5% first mortgage bonds, series A which go to the company's bankers as security for bank loan. These bonds mature as to $4 millions at the end of 1958 and the remaining $2 millions at the end of 1959.

—The $12 millions of 5½% first mortgage sinking fund bonds, series B are being offered to the public at par of $100. They carry stock purchase warrants entitling holders to buy 50 Can-Met shares for each $1,000 of bond at $2.25 a share up to Dec. 15, 1960. (Can-Met shares at mid-week were trading at about $2.30.) These Series B bonds are dated June 15 and mature June 1, 1962. Sinking fund provisions provide for retirement of $2 millions by the end of 1959, another $4.5 millions by Dec. 1960, another $4.5 millions by the end of 1961 and the remaining $1 million by June, 1962.

Capitalization on completion of the financing will consist of the two bond issues and 4,170,000 common shares outstanding of 5 million authorized.

Can-Met has a contract to sell uranium concentrates to Eldorado Mining and Refining to a total value of $75,852,000. This contract calls for deliveries to start by July 1, 1957 and to be completed by March 31, 1962.

Based on this contract, an operating profit of $32,000,298 is estimated in the five years, ending March 31, 1962. This is after bond interest but before deducting depreciation, preproduction expense and income taxes. The company is exempt from income tax for three years after coming into production.

Can-Met is building a mill with a rated capacity of 2,500 tons daily. Mine layout and hoisting equipment are planned for 3,500 tons daily. Provision is being made for ready expansion and for a thorium recovery section which may be added if thorium becomes salable in commercial quantities. At the mine, two shafts are being sunk with No. 1 going to about 2,250 ft. and No. 2 to about 2,450 ft.

A report by an independent engineer, C. H. E. Stewart, contained in the prospectus says milling operations will start at 500 tons daily by April 1957 and gradually build up over nine months to full capacity.

The earnings estimate shows $2,263,440 operating profit before debt redemption in the nine months ended Dec. 31, 1957. Operating earnings for 1958 are shown at $6,678,200, for 1959 at $6,878,200, for 1960 at $7,088,200, for 1961 at $7,237,925 and for the three months ended March 31, 1962, $1,854,333.

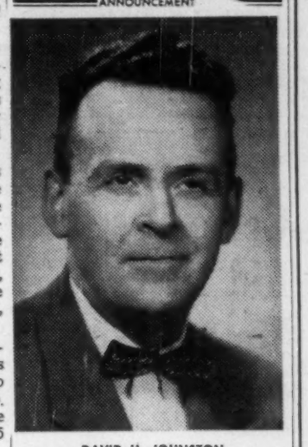
The engineers report says tonnage in indicated ore reserves is 1.7 times the amount needed to meet the contract with Eldorado. Total tonnage potential in the North Channel zone is about 2.5 times the contract.

"There is thus ample tonnage available, after allowing for 20% of the ore to be left in place permanently as pillar support, to support a long-term mining operation," Mr. Stewart says.

Mining methods to be used will include a system of trackless machines on tires or crawlers. Bulk mining will be carried out because of uniformity of grade.

John Kostuik, general manager, reports that collars of both shafts have been poured and the shafts have been sunk 185 feet and 100 feet.

ANNOUNCEMENT



DAVID H. JOHNSTON

Mr. David H. Johnston has been appointed Manager of the Engineering Department of the Electrohome Products Division of Electrohome in Kitchener. He comes to Electrohome from a large appliance manufacturing company where he held a number of senior management positions. Mr. Johnston is in charge of all engineering aspects of TV, HiFi and Radio.

$200,000 Copper-Nickel Search Of Ungava Wilds

Six companies are joining forces in a two-year $200,000 program to probe the wilds of New Quebec for copper and nickel.

A new company—LeMoyne Ungava Mines—has been formed to carry out a search for the metals in two blocks of land totalling 350 square miles.

The area to be searched is in Cape Smith district of Ungava, about 185 miles northwest of Payne Bay on Ungava Bay. It is near Hudson Strait.

The companies which are participating in LeMoyne Ungava are:

Lake Shore Mines
Malartic Goldfields
Sylvanite Gold Mines
Delnite Gold Mines
Teck-Hughes Gold Mines
Ore & Chemical Co.

Details of the participation by the individual companies were not disclosed. Ore & Chemical is understood to be the North American subsidiary of a German mining equipment firm.

President of the new Quebec company is Robert C. Stanley Jr., New York, associated with J.C.L.A. Allen and other Toronto mining financiers in the "Jack Allen group" of mining companies (FP, June 23).

Under a special arrangement with Quebec, LeMoyne has been granted exclusive prospecting rights on two areas—one approximately 60 miles long and four miles wide and the other about 35 miles long and four miles wide. These rights are for three years. Quebec has banned claim-staking in the area.

If the area is reopened for staking, LeMoyne will have first rights to stake or to hold by concession all or any parts of the areas.

The company reports that aerial survey and preliminary surface work shows extensive sulphide and gossan occuring in a greenstone belt stretching some 175 miles. No. 1 area (60 miles long) showed gossan areas for about 20 miles in one line of strike. Prospecting over 12 miles indicates at intervals copper-nickel values in sulphides associated with basic intrusives of gabbroic nature.

In No. 2 area (35 miles long), sulphide bearing gossan zones were shown at intervals with three or four parallel zones occurring.

Three surface crews are working in the area with prospecting, rock - pitting and preliminary sampling planned for 1956 season.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

PICKLE CROW GOLD MINES had a net profit of $274,700 in 1955, down slightly from $282,181 in 1954.

Average price received for gold was $34.47 an ounce, an increase of 25c from 1954. However, this increase was offset by a reduction of 19c an ounce in estimated cost aid.

Mine operating costs were reduced by $1.08 a ton and ore reserves are estimated at 471,397 tons grading $12.75 a ton.

INCOME ACCOUNT		
Years Ended Dec. 31:	1955	1954
Bullion prod.	$1,604,535	$1,594,454
Less: Oper. exps.	1,372,840	1,349,212
Oper. profit	231,695	245,242
Add: Sundry rev.	28,793	27,093
Est. Cost-Aid	117,513	127,769
Total earnings	378,001	400,104
Less: Deprec.	34,018	37,201
Prov. for taxes	64,689	82,474
Misc. write-off	3,719	.....
Add: Prof. on sale of investments	1875	1,752
Net profit	274,700	282,181
Less: Divds.	313,685	313,685
Deficit for year	38,985	31,504
‡Loss.		
Earned per Share	$0.09	$0.09
Paid	0.10	0.10

CONDENSED BALANCE SHEET		
As at Dec. 31:	1955	1954
Cash & bullion	$267,227	$308,669
Govt. bonds*	472,000	472,000
Accts., etc., rec.	16,387	16,694
Est. Cost-Aid	117,513	62,504
Mkt. securities†	248,911	243,413
Mat. & supplies	277,826	353,533
Total curr. assets	1,419,864	1,456,813
Dep. re pwr. cont.	28,000	28,000
Prep. & def. chgs.	10,152	15,154
Shs., etc., oth. cos.	17,495	24,747
Other assets	5,749	.....
Mining claims	2,122,306	2,122,306
Plant & equip.▲	79,376	86,802
Total assets	3,682,942	3,733,832
Accts., etc., pay.	132,728	101,476
Reserve for taxes	16,815	57,083
Total curr. liab.	149,543	158,559
Capital stock	2,647,400	2,647,400
Surplus	885,999	927,873
▲After depr. of	1,997,861	1,963,843
*Market value	438,150	476,200
†Market value	426,500	361,300
Working capital	1,270,321	1,298,254

OPERATING STATISTICS		
	1955	1954
Tons milled	124,240	111,677
Aver. recovery	$12.91	$14.28
Ore reserves, tons	471,397	473,304
Grade ($35 gold)	$12.75	$12.85

STARRAT OLSEN GOLD MINES had a net loss of $536,325 in 1955, compared with a loss of $423,589 in 1954.

The exploration and development program produced the bulk of mill feed during the year, J. E. Hammell, president, says. This program is not yet completed and although results have been disappointing, they are still inconclusive.

Liability to Hasaga Gold Mines is shown at $500,900 and a further $30,000 has been borrowed this year. Additional borrowing will be necessary to complete exploration and development work.

INCOME ACCOUNT		
Years Ended Dec. 31:	1955	1954
Bullion prod.	$374,560	$500,888
Less: Oper. exp.	611,517	636,643
Operating loss	236,957	135,755
Less: Misc. inc.	63	60
Prof. sale of fixed assets	.....	582
Cost-Aid assist.	88,865	96,795
Add: Int. on loans	19,703	18,376
Deprec.	197,823	198,125
Preprod. exp. w/o	124,522	124,522
Shaft exp. w/o	46,248	46,248
Net loss & deficit	536,325	423,589

CONDENSED BALANCE SHEET		
As at Dec. 31:	1955	1954
Cash & bullion	$86,921	$118,435
Accts. rec.	1,950	2,212
Est. Cost-Aid	36,975	66,588
Mat. & supplies	97,935	101,639
Total curr. assets	223,781	288,874
Dep. re pwr. contr.	2,000	2,000
Misc. assets	4,094	3,821
Claims & props.	480,941	480,941
Bldgs. & equip.*	398,759	397,650
Devel. exp.*	344,217	514,988
Total assets	1,453,792	1,888,274
Total curr. liabs.	60,008	57,830
Due allied co.	500,000	400,000
Capital stock	1,510,000	1,500,000
Less: Deficit	616,216	69,556
*After depr. of	920,059	723,187
▪After w/o of	835,555	664,784
Working capital	163,773	231,044

OPERATING STATISTICS		
	1955	1954
Tons milled	64,090	99,375
Average recovery	$5.85	$5.04
Ore reserves, tons	30,000	30,000
Grade ($35 gold)	$6.10	$6.00

Home Oil Offers $7.5 Mill. Issue

A new issue of $7.5 million Home Oil Co. convertible debentures is being offered equally in Canada and the U. S.

The $3,750,000 of these 5% subordinated debentures due July 1971 being sold in Canada are offered at par of $100 by a syndicate of investment dealers headed by Wood, Gundy & Co.

The debentures are convertible up to maturity into class A shares at $15 a share. (Home Oil A shares at mid-week were trading at $13.50.)

Proceeds will be used for expansion and development of business and properties. At June 1, Home Oil interests included 227.3 net oil wells and 17.5 net gas wells. Proven reserves were 41,668,000 net barrels oil and 263 billion cu. ft. of gas. Landholdings totaled 438,343 net acres in 1,089,237 gross acres.

Analysis of 58 Canadian Industrial Stocks Available on Request

Draper Dobie & Company Ltd.

MEMBER OF THE TORONTO STOCK EXCHANGE

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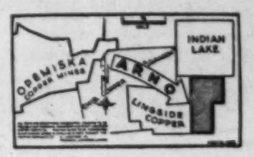
SUDBURY WINDSOR NORTH BAY ST. CATHARINES PORT COLBORNE LONDON

OPPORTUNITY TO "BUY AHEAD OF THE DRILLS"

ARNO MINES LIMITED

(Listed Canadian Stock Exchange)

Diamond drilling commencing immediately on newly acquired property located in Chibougamau.



Diamond drill hole spotted by Paul D'Aragon, Consulting Engineer, on magnetic anomaly.

New group have acquired control and have firmly underwritten 400,000 shares at 15c and 100,000 shares at 20c. Treasury now has $117,000.00, sufficient to carry out large scale drilling and development work.

Paul D'Aragon, Cons. Engineer, has informed the officers of the Company that from his personal examination of the property it is disclosed that the claims are apparently in the same type of gabbro formation as exists on the Opemiska property.

Descriptive analysis, together with latest drilling results, as received by us, will be sent on request.

Buy at the Market, or send us your order.

CARMEN & CO. LIMITED

222 Hospital Street, Montreal, P.Q.

What did . . .

"Stock Market News and Comment"

say about

NORTHERN CANADA?

NICKEL RIM? CAN. DEVONIAN?

EXTRACT FROM MARKET LETTER No. 762 (May 11, 1956)
"Control of NORTHERN CANADA MINES is in new hands and I feel that this stock could have a sharp upward move. Due to the low capitalization (only 1,000,000 shares issued out of an authorized 1,500,000) stock may be hard to get **but I advise purchase up to $1.35.**"

EXTRACT FROM MARKET LETTER No. 763 (May 17, 1956)
"NORTHERN CANADA sold up to $1.65 today on small volume, so I hope you took my advice of last week to buy up to $1.35. Purchase around this level is still strongly recommended: The Company has interests in several exploration bets and I hope to be able to give you details in a subsequent Letter."

EXTRACT FROM MARKET LETTER No. 750 (Feb. 16, 1956)
"NICKEL RIM ($2.20) has been provided with $650,000 through exercise of all outstanding options. This gives the company a working capital of $750,000 and $1,100,000 is due from Falconbridge for concentrates. The shaft is to be deepened to 1,500 feet and milling capacity doubled to 1,500 tons immediately. You can buy this stock for a move through $3.00."

EXTRACT FROM MARKET LETTER No. 757 (April 5, 1956)
"CANADIAN DEVONIAN is my **Prime Recommendation at under $6.00.** It has a net interest of 27,000 acres in the Steelman-Frobisher area of S.E. Saskatchewan. It shares with GULF OIL 35 producing wells. The field is not de-limited yet, but expert oil men predict that **CAN. DEVONIAN's share** of this field will develop 80 million bbls. of oil! I see in this stock the nearest comparison I can find to MERRILL PETE and the Pembina field. I was ahead of everybody at that time in predicting Pembina would become the biggest field in Canada, and strongly recommended MERRILL PETE in the $3 range — MERRILL PETE is now $20. Well, to be conservative, I am now calling CANADIAN DEVONIAN for $10, as drilling proves my point."

RECENT MARKET PRICE OF NORTHERN CANADA.. $2.00
RECENT MARKET PRICE OF NICKEL RIM $5.05
RECENT MARKET PRICE OF CAN. DEVONIAN $7.85

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CONTINENTAL RESOURCES LIMITED • • • •

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TORONTO OFFICE: 3rd FLOOR, 7 KING STREET WEST, TORONTO 1, ONTARIO

EXPLORATION

Compared with some of my dividends, old fellow, this doesn't look too bad . . .

. . . of course, companies are being most generous right now—but the money just doesn't go very far.

• *Stocks were made to sell, Boss. Have to go after trading profits and capital gains to get big returns.*

Nonsense! Too much risk — only lose your money that way.

• *Not if you follow Mitchell. Picks stocks that double and treble in a matter of weeks.*

Impossible! Can't be done. I'd have to see that to believe it.

• *Check your newspaper. Mitchell picked Nickel Rim at $1.75, and now it's $5. Picked El Pen Rey a month ago at 19 cents and now it's four times that. Mitchell clients take profits like these almost every week—most make over 100 percent a year on their capital.*

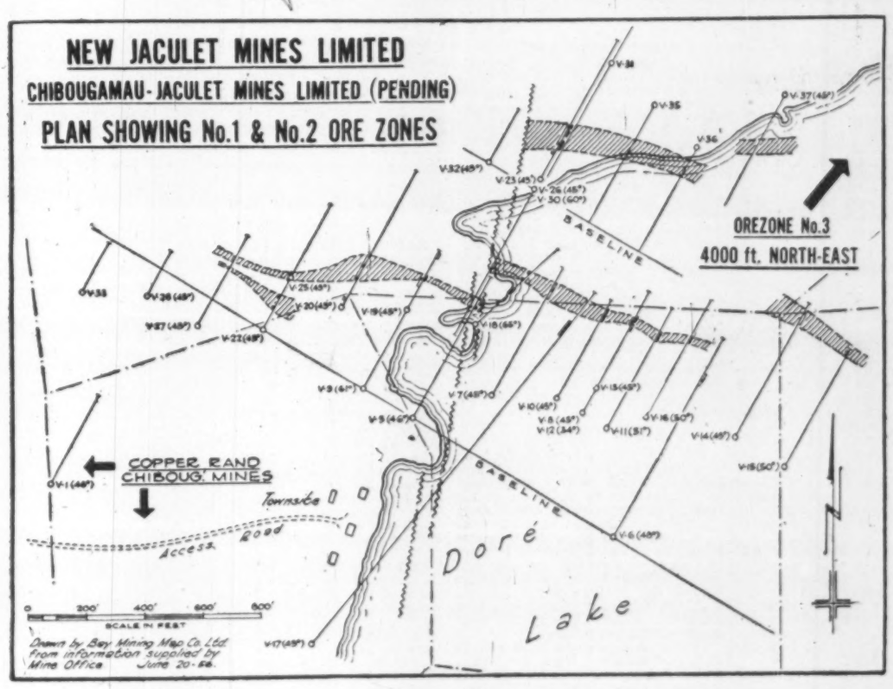
Must cost a lot to get this man's advice.

• *Keep telling you, Boss. Just takes $3 for a six-week trial subscription to his weekly bulletins—$35 for a year of his complete service. Name's Mitchell of Canada—Dept. F, 32 Davenport Road, Toronto 5, Canada.*

• *For the Information of Unregistered Shareholders:*

New Jaculet Mines Limited

Listed on The Toronto Stock Exchange and Canadian Stock Exchange



Above is a map showing the recent developments on your company's property in the Chibougamau district. So far three separate ore zones have been found on your property. Hole No. 17 shown above, in the Number 1 zone, intersected the ore at a vertical depth of 1330 feet and assayed 3.31% copper over a width of 36 feet. The Hole will be continued to intersect the Number 2 zone at a vertical depth of approximately 1800 feet. This is the deepest hole yet drilled in the Chibougamau district.

The company has $1,000,000.00 cash with an additional $1,500,000.00 by way of a firm underwriting by Yellowknife Bear Mines, Alator Corporation Limited, Copper Cliff Consolidated Mining Corporation and associates upon the issuance of Supplementary Letters Patent.

Officers and Directors

J. BRADLEY STREIT, Chairman of the Board

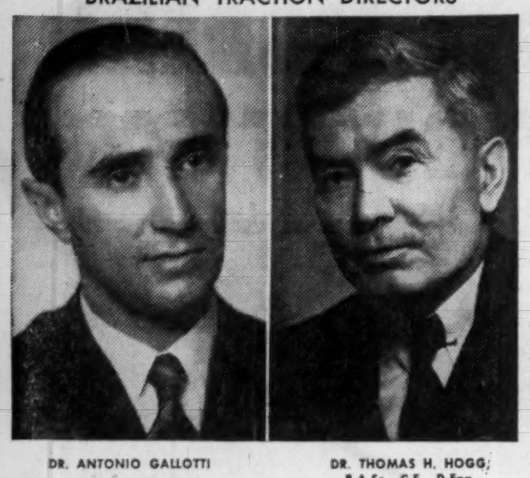
R. P. MILLS, President
T. J. DAY, Vice-President
H. E. CORBETT, Vice-President
J. A. HACKETT, Treasurer
W. C. CAMPBELL, Secretary
R. G. PEERS, Director

New Jaculet Mines Limited

Room 301 — 215 St. James Street West, Montreal 1, Quebec

ANNOUNCEMENT

BRAZILIAN TRACTION DIRECTORS



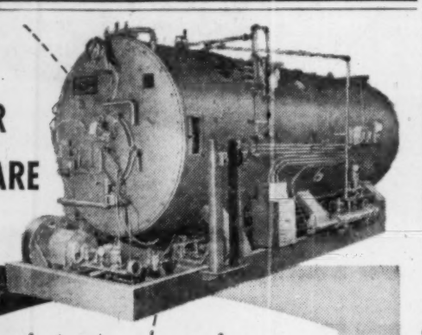
DR. ANTONIO GALLOTTI

Dr. Antonio Gallotti of Rio de Janeiro was elected a Director of Brazilian Traction, Light and Power Company, Limited, at the annual meeting of shareholders of the Company held on June 26 in Toronto. Dr. Gallotti has also been appointed the chief executive officer of the organization in Brazil. Dr. Gallotti joined the legal department in Rio de Janeiro in 1933 and has occupied several important executive positions, culminating in his appointment as Executive Vice-President of the organization in Brazil.

DR. THOMAS H. HOGG, B.A.Sc., C.E., D.Eng.

Dr. Thomas H. Hogg, B.A.Sc., C.E., D.Eng., was elected a Director of Brazilian Traction, Light and Power Company, Limited, at the annual meeting of shareholders of the Company held on June 26 in Toronto. Dr. Hogg was Chairman of the Ontario Hydro-Electric Power Commission from 1937 to 1947 and is a director of many Canadian companies, including Sherritt Gordon Mines Limited, Canadian General Investments Limited, Chartered Trust Company, British Newfoundland Corporation Limited and Phillips Electric Company Limited.

POWER TO SPARE



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*REG. T.M.

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Agents in all principal cities.

July Oil Take 444,385 Bbls.

From Our Own Correspondent

CALGARY—Production of Alberta oil for July will surpass the 400,000 bbls. a day mark, according to the Alberta Gas and Petroleum Conservation Board.

Refineries last week asked for a total of 444,385 bbls. daily for July. The figure includes 38,000 bbls. a day for Shell Oil Co.'s refinery at Anacortes, Wash. This plant is still strike-bound.

Even without the Anacortes purchase, other refineries have indicated their requests which will guide the conservation board in setting the allowable production rates for July.

Interprovincial Pipeline will handle 202,140 bbls. daily to the east; the Trans-Mountain pipeline will need 163,605 bbls. daily for the west.

U. S. deliveries include 64,500 bbls. to Washington state depending on Anacortes strike situation); 23,290 to Minnesota; 20,310 to Wisconsin; 4,130 Michigan; and 225 Montana.

Imperial Oil is again the top purchaser; it requested 172,965 bbls daily. The company's Sarnia refinery will take 70,540 bbls daily.

Here are the major nominations by companies:

	(Bbl. Daily) June	July
Imperial Oil	158,825	172,965
B.A. Oil	38,480	50,455
Shell Oil (Anac'tes)	(strike)	58,000*
McColl-Frontenac	12,500	13,500
Shell Oil	15,200	12,400
Canadian Oil Cos.	16,200	27,000
Standard Oil of B.C.	16,218	11,450
General Petroleum	26,500	14,887
Int'l Refineries	11,670	11,290
Texaco Exploration	....	11,613
Great Northern Oil	5,000	7,000
North Star Oil	700	7,340
Consumers' Co-op.	11,000	4,000
Northwestern Refining	5,000	5,000
Royalite Oil Co.	4,400	6,500
Lake Superior Ref.	5,330	5,161
Regent Refining	6,800	4,800

*Includes 38,000 for Anacortes refinery which is still on strike.

ANNOUNCEMENT

British Paints Appointment

R. EDMUND McMULLAN

Sydney A. Silvera, Managing Director of British Paints (Canada) Limited, announces the appointment of R. Edmund McMullan as Secretary-Treasurer and a Director of the Canadian company.

MINING INVESTMENTS

U.S. Export Curb On Nickel Points Up World Shortage

Curbs on export of nickel scrap from U. S. and proposed establishment of distribution controls on nickel alloy deliveries from U. S. producers are seen reflecting two things: the continuing troublesome world shortage of nickel and rising dissatisfaction among U. S. consuming industries over current methods of distribution.

Under the new set-up proposed by the Office of Defense Mobilization, mills in U. S. will be requested to set aside definite proportions of their output for defence use. As it stands now defence contractors have to establish priority needs with the mills certifying to the supplier that the deliveries are needed for defence orders. This system has led to many abuses and establishment of grey market practices in U. S.

Under the new system it will be easier for Canadian importers of nickel alloys (stainless steels, etc.) for defence applications to get early deliveries.

As for the big nickel producers in this country, they do not see the new set-up bringing any important change in their operations. They see in the recent Washington "makeshift" move a pretty strong indication that no new incentive plans are currently being considered to boost Canadian production of nickel.

Faraday Work Confirms Ore

Recent work at Faraday Uranium has confirmed, and in some cases added to, ore estimates made for the contract to sell uranium concentrates to Eldorado Mining, Bryan W. Newkirk, president, states in the annual report.

Earlier this year the company obtained a contract to sell uranium to a value of $29,754,800. Details of underground development results cannot now be disclosed.

However, A. W. Johnston, vice-president and managing director, states that in lateral development on the adit level new ore was revealed which had not been picked up in drilling. This amounted to over 35% of the total ore developed.

The four main shoots outlined by diamond drilling which were accessible from the adit horizon were drifted out and several orebodies were considerably higher in grade than was indicated by drilling, Mr. Johnston says.

• • •

Stanleigh Uranium Awaits Contract

Stanleigh Uranium is awaiting word from Ottawa on a premium price contract for uranium. The company expects to receive a letter of intent early in July. Possibilities of a 2,500 ton to 3,000 ton mill are being discussed with financing of the property likely to take place in the fall, totaling between $15 millions and $20 millions.

Headframes have been completed at the two shafts which are down to 45 ft. A contour survey is being made of the plant site and work is progressing on hoist housings.

Hole S-12 was at 2,766 ft. at latest report. The joint hole being financed by Stanleigh and Thorncrest Explorations to probe the middle belt of the Blind River basin is down to 2,000 ft.

This hole is more than a mile away from the nearest ore zone. It is proceeding at the rate of 75 ft. a day and is in quartzite. It is expected to encounter the argillite formation shortly and to reach the bottom of the sedimentary basin in about two months.

• • •

Shaft For Snow Lake Area Find

A shaft is to be sunk at the Snow Lake area find of Hudson Bay Mining & Smelting, it was reported following a directors meeting. An 8-mile road from the existing Snow Lake highway to Chisel Lake and a 4½-mile power line will also be built.

Company officials did not reveal results at the zinc-gold-copper-silver find in the area east of Flin Flon, Man., other than reporting that results continue encouraging.

Directors also turned down a possible stock slip which had been suggested.

• • •

Steep Rock Hits Peak Outlook

Steep Rock, for 1956, is already well on the way to its second successive record-breaking season with the previous high figure for one day's output exceeded twice this month.

On June 21, 24,644 tons of premium-grade iron ore were shipped and on June 7, 22,788 tons. The previous record, set last October, was 21,924 tons.

Company Reports

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

LITTLE LONG LAC GOLD MINES had a net profit of $77,443 in 1955 compared with a loss of $8,634 in 1954. In addition, winding up of the Geraldton plant resulted in a credit of $42,130.

Little Long Lac is participating in the financing of McFinley Red Lake Gold Mines and Belcher Mining. The company has been active in exploration in the Ungava district, reports J. G. Boeckh, president.

Two groups of claims were acquired and participation in two other groups on a 50-50 basis with Climax Molybdenum. A 25% interest in Gerido Lake mines is retained. Considerable diamond drilling is planned, he says.

INCOME ACCOUNT

Years Ended Dec. 31:	1955	1954
Bullion recov.	$2,582	$46,122
Less: Oper. exps.	109,854	141,122
Oper. profit	■107,272	■95,000
Add: Sale of cls.	93,604	50,001
Service chgs., etc.	86,874	64,390
Other inc.	79,352	22,316
Inc. tax adj.	1,527	.....
Less: Deprec.	2,096	1,650
Loss, invest. sale	62,814	41,945
Misc. write-offs	11,142	1,200
Other exps.	.....	5,546
Net profit & surp.	77,443	■8,634
■Loss or deficit.		
Earnings per Share	$0.042	$0.005
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1955	1954
Cash	$47,359	$32,873
Bonds at cost†	28,124	332,924
Accts., etc., rec.	135,734	10,919
Com. notes	.....	297,739
Listed shs.*	1,281,085	742,044
Mine stores, etc.	1	8,300
Total curr. assets	1,492,303	1,444,799
Misc. invest.	84,921	50,595
Prep. chg. & adv.	1,081	1,162
Mining props.	2	2
Plant & equip.▲	21,512	12,673
Misc. int. & part.	37,679	11,727
Total assets	1,657,098	1,520,958
Total curr. liab.	36,824	19,657
Capital stock	1,198,410	1,198,410
Surplus	422,464	302,891
▲After depr. of	5,663	3,841
*Market value	1,300,926	743,900
†Market value	13,600	317,400
Working capital	1,455,679	1,425,142

JOHN A. LANG & SONS LTD. shares were removed from trading on June 21 at company's request, as Mailman Corp. has acquired 90% of outstanding shares.

Rix Operating Profit $79,000

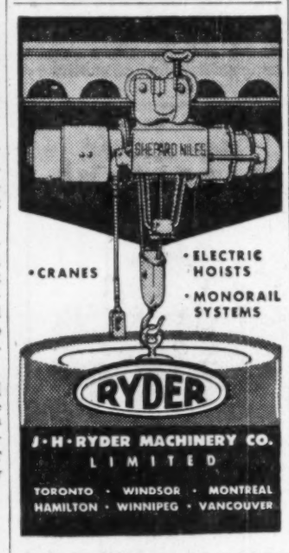
An operating profit of $79,029 is reported by Rix-Athabasca Uranium Mines for the first quarter of the current year. This is before taxes and write-offs. In the first three months of last year, the company reported an operating profit of $86,836.

The dip reflects charging of all development costs although gross production was maintained at 1955 levels.

Gross revenue from sales was up at $225,112 from $189,953 a year ago. Mining and development costs including shaft sinking amounted to $151,163 and administration costs were $3,921. In the first three months of 1955, total operating costs were $103,117.

In the development program for the Smitty area, station cutting on the new 500 ft. level was nearing completion but it will be at least two months before drifting enters the ore zones, J. B. Aird, president, states in a letter to shareholders.

Plans are being prepared for development of the Leonard area with sinking operations starting.



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INTERNATIONAL NICKEL CO. OF CANADA had 184,595 preferred shares, $100 par, and 1,833,665 preferred shares, $5 par, outstanding at June 7.

STANDARD BRANDS INC. issued an additional 250 common shares under officers' and key employees' stock option plan. Now 3,259,457 common shares outstanding.

ANNOUNCEMENT

CANADIAN INGERSOLL-RAND ORGANIZATION CHANGES

L. E. McMEANS

T. M. PARR

D. J. FALCONER

F. G. Ferrabee, President & General Manager of Canadian Ingersoll-Rand Co. Ltd., has made the following announcement — With the rapid growth of industry in Western Canada, continued expansion in Central Canada and the accomplishments and potentialities of the Eastern Provinces, it has become increasingly difficult for one individual to keep in touch with field developments across Canada and to manage generally all Canadian Ingersoll-Rand branches from one point. Acting as managers for their respective regions and reporting directly to the General Manager, the following Regional Managers have been appointed.

L. E. McMeans of Montreal has been appointed Manager of Western Region at Calgary and will be responsible for the operation of the Company's branches at Vancouver, B.C., Nelson, B.C., and Calgary, Alta., covering British Columbia, Alberta, Saskatchewan, Yukon and North West Territories.

T. M. Parr, of Toronto becomes Manager of Central Region at Toronto and will be responsible for the operation of the Company's branches at Toronto, Kirkland Lake, Timmins, Sudbury and Winnipeg, which provide services for customers in Manitoba, Western & Northern Ontario, the mining areas of Northwestern Quebec and central and eastern Ontario to Kingston.

D. J. Falconer, formerly branch manager at Kirkland Lake, has been appointed Manager of Eastern Region at Montreal and will be responsible for operation of the Company's branches at Montreal and Sherbrooke, Que., Sydney, N.S., and St. John's, Nfld., covering the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec and Ontario East of Kingston.

People often say as reliable as a—

but few products are more reliable than—

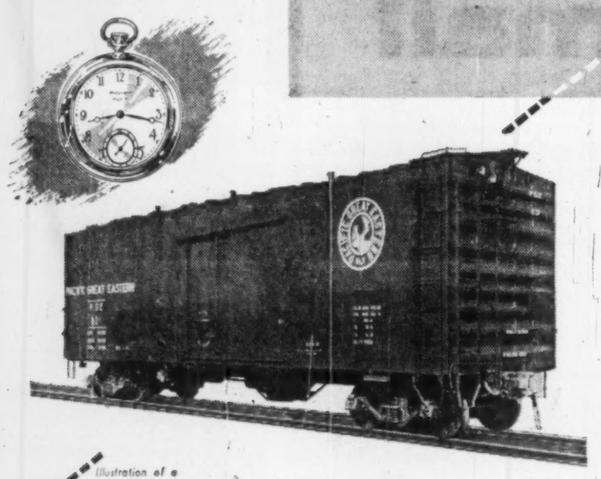

Illustration of a freight refrigerator car built for the Pacific Great Eastern Railway

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Head Office: Hamilton, Ont. - Sales Office: Montreal, Que.

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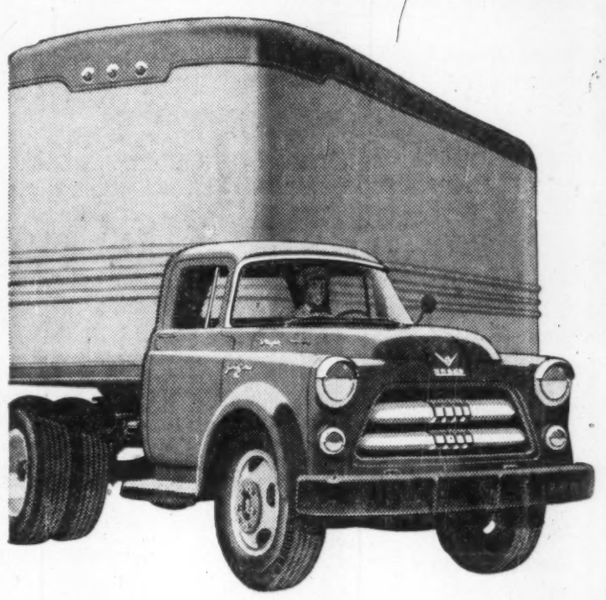

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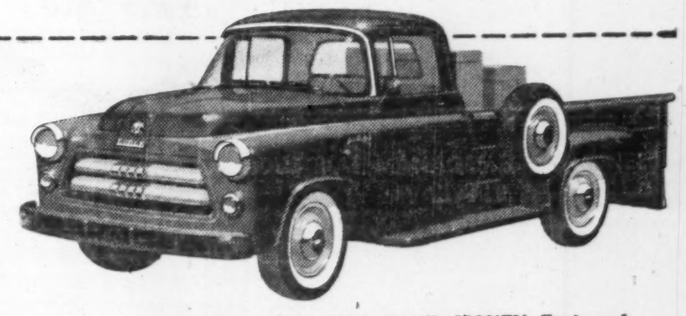
A TRUCK TO FIT EVERY HAULING NEED

Long hauls—Feature for feature, you can't beat a Dodge K8 model for over-the-road performance and economy! For example, you get the most powerful V-8 in its weight class, as *standard* equipment . . . with 201 horsepower to hurry your biggest loads along. Advanced-design hemispherical combustion chambers squeeze full power from regular gas.

Short Hauls—Team up with a husky Dodge express . . . and you team up with the workingest hauling partner that money can buy! Under the hood, there's the new stepped-up 125-h.p. Dodge truck Six. And Dodge now offers you a choice of *three* express bodies—78" x 49", 90" x 54", and 108" x 54" . . . to provide plenty of load space. What's more, Dodge expresses have flat-flared sides and raised skid strips for easier loading and unloading.

All Hauls—Whatever your needs . . . from ½-ton to 65,000 lbs. G.C.W. . . . Dodge has a truck that's *right* for your job, *right* for your budget! Take your pick from expresses, panels, chassis and cab, and chassis with flat-face cowl models to accommodate a wide range of special bodies.

Chrysler Corporation of Canada, Limited



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Letter from London

by Adelphi

If at this moment you were in London and saw a handsome youngish fiftyish man walking with a springy step, it would probably be Prime Minister Sir Anthony Eden. And no one can deny that he has a right to look pleased.

The sellout of the Trinidad Oil Co. to the Americans had produced angry and threatening scenes in the Commons. The Express newspapers had beat the Imperial drum in great style and the Union Jack flew bravely in the breeze.

The Socialists leaped to the attack and a debate was staged from 3.30 p.m. to 8 p.m. They were in good form and the Government front bench looked very unhappy. How many Tories would abstain or even vote against the Government? There was no smile on Eden's face.

At last the fateful division came. Up rose the Tories and made their way to the Government division lobby. Only one Tory remained in his seat — Captain Kerby who acquired temporary fame by acting as interpreter when Messrs. Bulganin and Khrushchev were here.

A Government whip bore down on him and exhorted him to do his duty. But the captain was not for voting. With that one exception the Government nad scored a triumph of discipline or loyalty whichever you wish. Sir Anthony was as radiant as a bridegroom.

The truth is that the deal had gone too far to be blocked. What is more the governing council of Trinidad had expressed its approval of the takeover. It may be true that the sun never sets on Government House but it will not shine again on British oil interests in Trinidad.

Sir Winston Churchill Watches In Silence

Sir Winston sat in his old seat below the gangway but took no part in the debate. In fact he has not spoken in the House since his resignation and it is unlikely that he will ever break his self-imposed silence.

Harold Macmillan, as Chancellor of the Exchequer, opened the debate with an amazing vitality considering that for days on end he has been piloting the financial bill through the House. To change the metaphor, Macmillan is coming up fast on the rail and has undoubtedly passed Butler in the Succession Stakes.

But there will be repercussions to the Trinidad affair. Mr. Vos, chairman of the company, acted with such skill and swiftness that he was able to present his deal as a *fait accompli* which made it almost impossible for the Government to turn it down. Probably there will be a Government ruling that in future no one will be allowed to negotiate the sale of a British company to a foreign purchaser without the preliminary permission of the Treasury.

While Parliament was wallowing in oil, Her Majesty the Queen was winning a big race at Ascot to the delight of everyone, but especially to those of her subjects who had backed the winner. According to custom, grey toppers were hurled into the air in all directions. Actually the race was so close that there was an agonizing wait while the issue was being decided by the verdict of the camera. But all was well and the Queen was as radiant as the cloudless sky.

True British Or Not Grand Opera Will Stay

But if Ascot was radiant, there was gloom in Covent Garden. The famous old Opera House which is set like a mosque in a sea of vegetables is in trouble. The treasury subsidy grows bigger each year and it is the taxpayer who has to fork out.

Despite large audiences, the losses mount up to a formidable sum. People are saying that Grand Opera has never been a British product which is broadly true despite Britten's operas and Sir William Walton's "Troilus and Cressida."

The feeling is, however, that the greatest capital in the world must have its Opera House. We shall not be deprived of a huge Isolde falling like a cliff into the embrace of a mountainous Tristan.

Which reminds me that Reginald Stewart of Toronto fame is to conduct a series of orchestral concerts at the Festival Hall.

Will They Wield Stick On Soho's Vice Lords?

Now let us change the key. It really seems that at last the authorities are going to do something about that little Chicago known as Soho. For many years there has been developing a gang warfare in this section of London which would not disgrace the late Mr. Al Capone.

These gentlemen conduct London's vice racket which seems to be doing very well indeed. Unfortunately they fall out with each other from time to time over the distribution of profits and they try to decide the issue with razors or knives.

Nor is there any secrecy about it. Like the knights of old they tilt at each other in full view.

But no matter how badly they are cut up or how closely they resemble an advertisement for tomato ketchup they can never identify their assailants in court.

The newspapers keep on demanding that something should be done but Mr. Gwilym Lloyd - George, the Home Secretary, has few of his father's qualities despite the name. In fact the vice racket in London has reached the stature of an important industry even though it contributes nothing to the Treasury in taxes.

London Fetes V.C.s —'Most Honored' Men

Let us leave this unsavory subject and deal with the great gathering of V. C.s now in London. Of all decorations this is one that has never lost its integrity. When a man is awarded the Victoria Cross there is no honor in the power of the Queen to bestow that can equal it.

After a Service of Commemoration at the Abbey they are assembling in Westminster Hall where Charles I was sentenced to death and where Churchill was honored on his 80th birthday. Then they will be given tea on the terrace and Parliament will honor them. They have come from everywhere and the dignity of London is deepened by their presence.

Does Moral Rearmament Need New 'Messiah'?

As you probably know the Moral Rearmament Group has invaded London under the leadership of its worthy doctor and has been presenting its musical show "The Vanishing Island" at one of our biggest theatres.

Rightly or wrongly the attitude of the British people and especially the British press is skeptical. The theatre is crowded for every performance — and it is a jolly good show — but the press is chilly.

Dr. Buchman has aged and it is difficult to believe that he will be able to lead the Movement much longer. Who can replace him? That is the question on many lips. There is no apparent successor and the Movement must have its Messiah.

Confidence The Theme Of London Stock Market

It may seem like sacrilege to turn abruptly to the Stock Exchange but stocks and shares are always with us. On the whole there is a quiet confidence among investors. The Trade Unions are generally adopting a responsible view toward the new age of "automation" and there is no threat of strikes on any substantial scale.

In fact if it were not for the invasion of Australian cricketers and the consequent threat to the Ashes we would have little to worry about, except of course the sustained tragedy of Cyprus. It is hard to think what else the British could have done with this tragic island, but the horror and cruelty of it all casts a deepening shadow that no sunshine can dispel.

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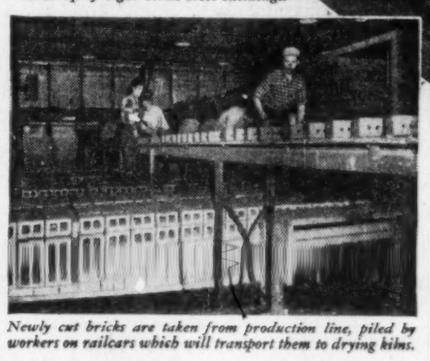
CANADA'S MOST MODERN BRICK PLANT BUILT BY

ASTRA STEEL

As part of the continuous production process at Canada Brick Limited, bricks are moved by railcar into drying kiln.

Longest section of new Canada Brick plant extends 800 feet. Plant is made up of eight Stran-Steel buildings.



Newly cut bricks are taken from production line, piled by workers on railcars which will transport them to drying kilns.

Long, clear-span buildings make new continuous processing possible

Canada Brick Limited, Streetsville, Ontario is now producing 100,000 Shale bricks daily, in new, attractive textures, with a high degree of uniformity. The plant is laid out for complete mechanical operation, electrically controlled. The Stran-Steel Buildings, free of interior posts, are ideally suited to permit the most advantageous arrangement of the machinery and furnace equipment necessary. The whole plant is designed to fit the particular requirements of the customer, with full freedom to expand.

Any industry needing a new plant, or extension to an existing one, can profit immensely from the low cost, high efficiency Stran-Steel designs available. Contact Astra Steel, 7 Hughson Street South, Hamilton. Telephone JAckson 8-4551.

ASTRA STEEL STRUCTURES LIMITED HAMILTON, ONTARIO

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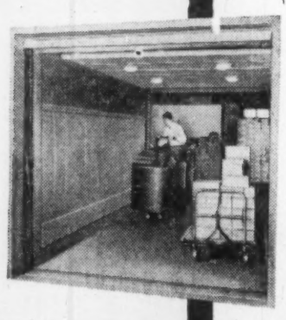
STRAN-STEEL *"Precision Engineered"* BUILDINGS for FAST, EASY ERECTION — LOW COST PER SQUARE FOOT — ALL STEEL PERMANENT CONSTRUCTION.



No installation is too small

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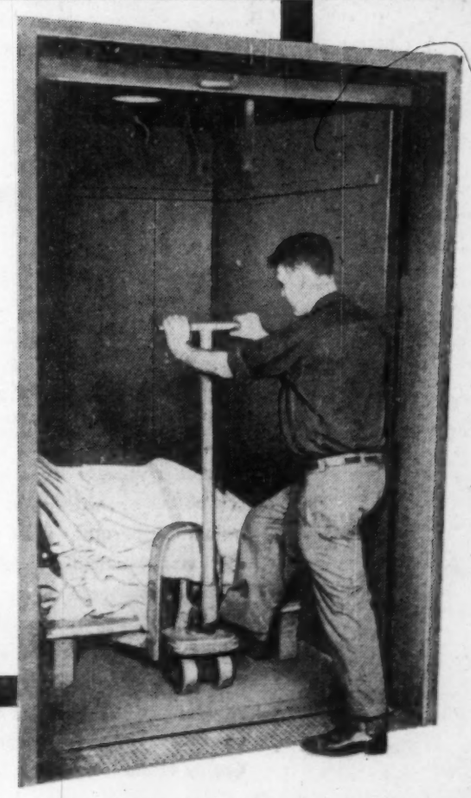
No installation is too large



FREIGHT ELEVATORS for loads ranging from 40,000 pounds down to 2,500 pounds.
Booklet BC-705 describes Otis Heavy Duty Freight Elevators.
Booklet AC-414 describes Otis Plunger Electric Freight Elevators.
Booklet AC-382 describes all Otis Vertical Transportation equipment and services.

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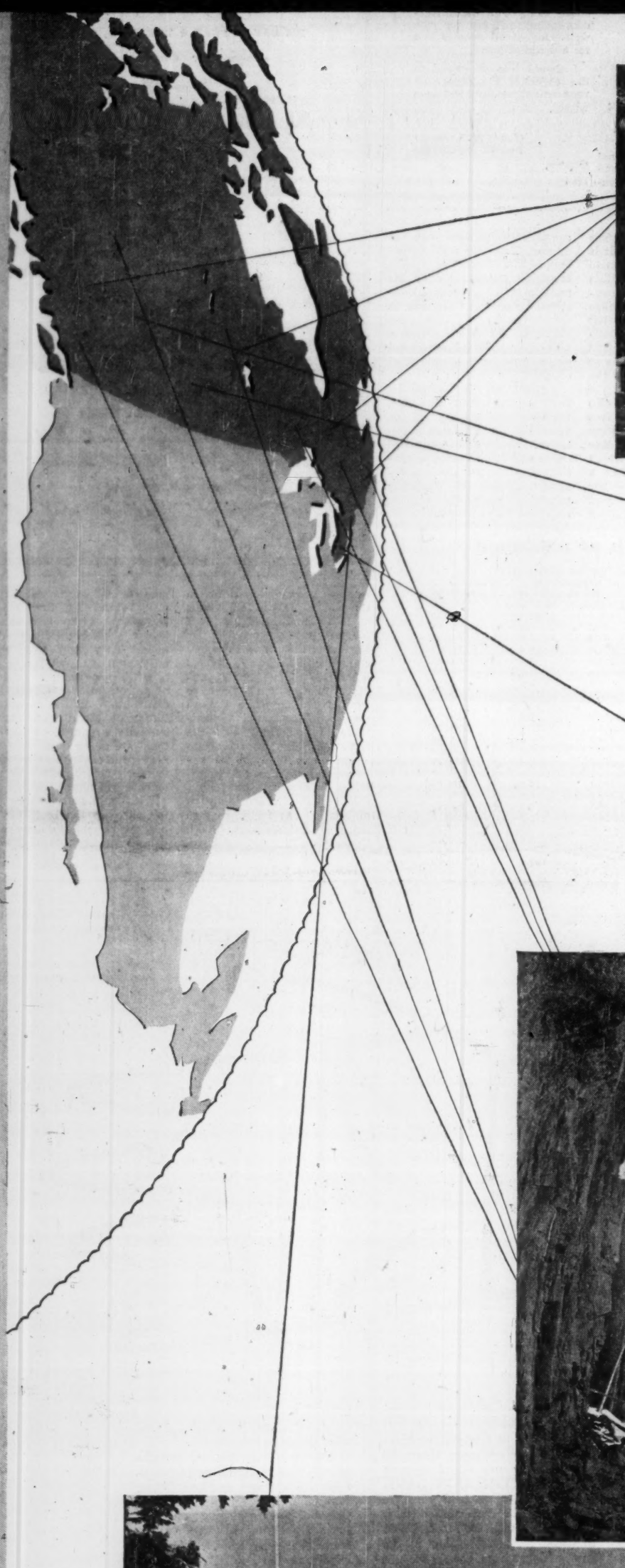
OTIS ELEVATOR COMPANY LIMITED • HEAD OFFICES AND WORKS: HAMILTON, ONTARIO • OFFICES IN 27 CITIES ACROSS CANADA

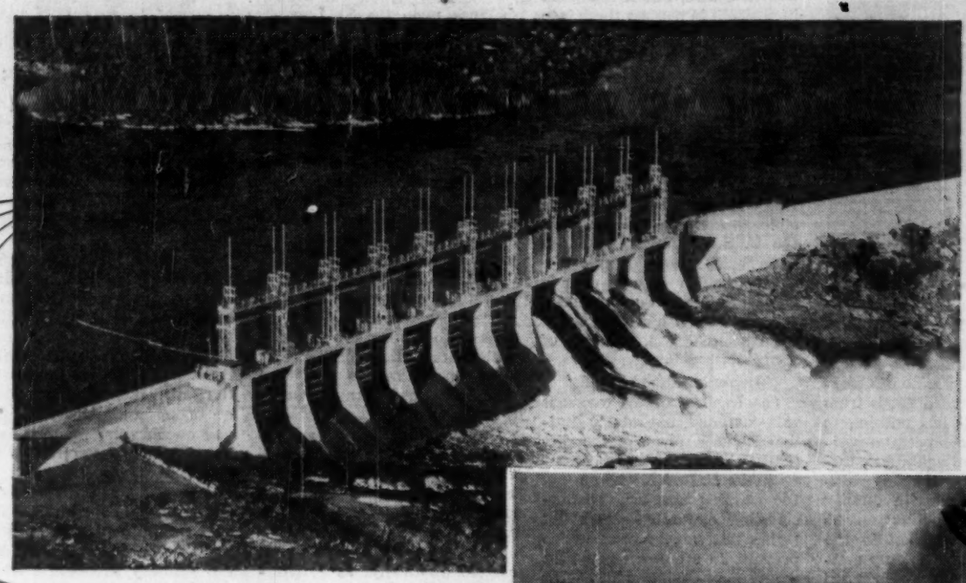
CANADA 1956

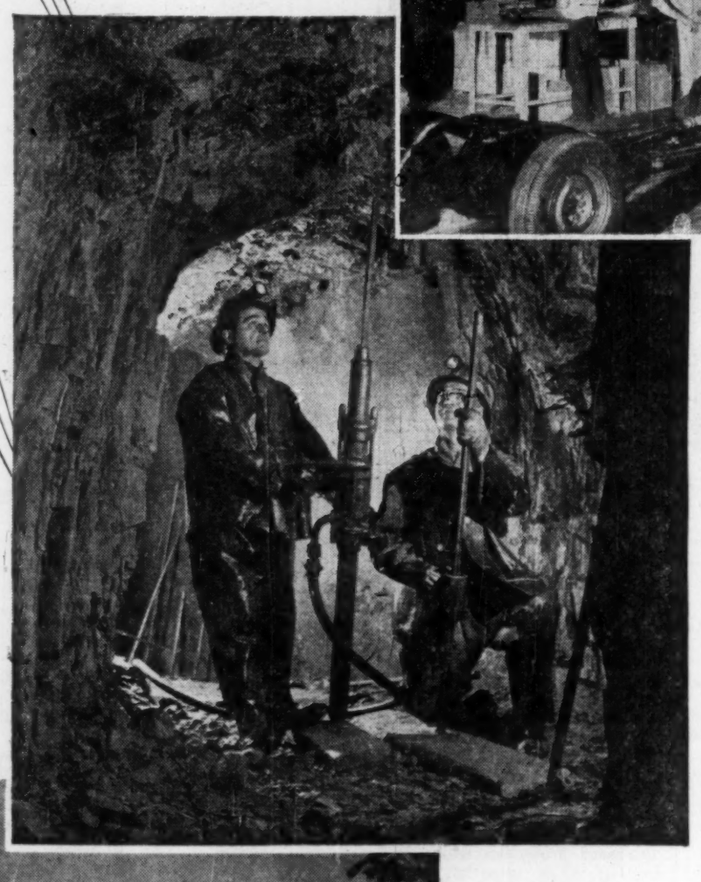
A report to executives throughout the world by

The Financial Post

Canada's National Weekly of Business, Investment and Public Affairs







CANADA is making global economic history in its rate and relative scope of growth. In the process, Canadians have gained a new awareness and self-assurance about where they are going and how they are going to get there.

This overseas edition of The Financial Post is designed to bring Canada's exciting and dynamic economic story to the world. It is a story worth telling anywhere and it is a story by which virtually any listener can profit—as a buyer, as a seller, an investor, an industrialist or an immigrant.

Canada today is a land of opportunity, not only for Canadians, but, in their free, open, honest pursuit of progress, for anyone who wants to come and share.

The Financial Post in the following pages attempts to tell why you should at least take a look, and how you can share.

How Manufacturing Grows

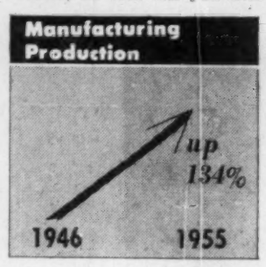
The Future Hinges on the Home Market

MANUFACTURERS establishing plants in Canada must, except in exceptional circumstances, rely on the potentialities of the domestic market. There was a time in the 1930s, under the first impact of Imperial Preferences, when United States manufacturers built Canadian plants in order to supply the whole of the British Commonwealth from within the preference area. The outstanding example is in the Canadian plants of the three biggest groups of U. S. automobile makers.

There are also rare occasions when British or European manufacturers may hope to penetrate the United States market more easily from a Canadian plant than they could from their domestic operations. A Canadian plant provides all the benefits of proximity to the United States market, coupled with identical engineering standards; but it has the disadvantage of higher unit labor costs.

It is within the experience of Canadian manufacturers who were established before World War II that they now have greater difficulty in selling manufactured goods for export than they had formerly. For them, as for any new enterprise which may contemplate establishing Canadian manufacturing facilities, it is a hard fact that in present conditions they must rely largely on sales within Canada. Most of the new enterprises established here since the war have been built on this principle.

If you ask almost any experienced businessman occupied in the advanced manufacture of finished goods in Canada, he will tell you that



he is up against two major difficulties; and many Canadian manufacturers will complain that both are unfair.

(1) In the first place he will say that the exclusion of Canadian manufactured goods from world markets has nothing to do with their competitive position. Again and again a manufacturer will say that his product could compete in quality or in price or in delivery dates in almost any market in the world, and that it is only artificial restrictions which keep him out of these markets. The trouble is that, restrictions being what they are, there is no way of knowing whether this is a just claim or not.

Canadian manufacturers are up against this twofold obstacle:

(a) The United States tariff, in spite of all the reductions which have been made in it in recent years, is still a tariff directed at manufactured goods, rather than at raw materials. It is relatively easy for Canada to sell metal ores in concentrated form to the United States, but it is almost impossible to process them into any more manufactured form. This is because the tariff increases steeply with each stage of processing. It is relatively easy to sell pulpwood or even wood pulp for further manufacture in the United States. Even newsprint enters duty-free. But it is almost impossible to sell fine papers over the U. S. tariff. Canada can do a brisk trade in the sale of frozen fish blocks, over a moderate tariff; but it cannot sell finished "fish sticks" ready for consumer use, because of a prohibitive tariff.

Import Bans Abroad

(b) In most of the overseas soft currency markets, a similar situation prevails for different reasons. In this case — with the United Kingdom and the sterling area as the outstanding example — it is not tariffs but import bans which prevent an attempt to develop a more extensive market for Canadian manufactured goods. The United Kingdom, for example, is now buying unprocessed industrial materials such as base metals and various kinds of lumber in considerable quantities. Within the last year chemical products to be used as industrial materials have also been added to this list. But as soon as a Canadian manufacturer aspires to process his raw materials to more finished form at home, he runs into import restrictions which are quite prohibitive.

If you follow the statistical definition of manufacturing used by the Canadian Government, you will find an apparent exception to these generalizations. You will find a brisk trade in the export of smelted and refined metals, of sawn lumber, and a few other simple processed goods which rank statistically as "manufactured."

In this respect you will find the official statistics on manufacturing somewhat misleading. According to the official statistics, the three leading manufacturing industries of Canada—which between them account for a full 15% of all manufacturing — are pulp and paper products, non-ferrous metal smelting and refining, and the refining of petroleum products.

To these you may add another three leading industries to account for 30% of total manufacturing output. The second group of three will consist of motor vehicles, slaughtering and meat packing, and saw milling. Saw milling, which ranks sixth in the list of so-called manufacturing industries, depends to a very large extent on the export of planks and boards. But the other two—motor vehicles and meat packing — set the general pattern of dependence on the domestic market.

In some recent years—mainly when there was a shortage of automobiles in the United States — Canadian cars have been exported in some quantity, mainly to Latin-America. A limited number of processed foods enter the United States market, mainly as a luxury item. But for the most part these two industries depend upon the Canadian market. In the case of cars, particularly, there is heavy dependence on tariff protection which prevents the models of the parent U. S. companies from competing with their Canadian subsidiary plants, especially in the lower price ranges.

Perhaps this helps to explain the importance which most Canadian manufacturers attach to the tariff.

Price Advantage

Their general argument is that foreign manufacturers, particularly in the United States or the United Kingdom can achieve all the economies of large volume production on the basis of their domestic sales alone. Their export sales to Canada tend to be at the end of the run after most costs have been covered by sales elsewhere. This of itself, enables them to offer a lower price than Canadian manufacturers can generally make because the Canadians have no similar large market within their reach.

On this showing alone, the prospects for manufacturing in Canada would seem to be very gloomy. This is the case for increased protection which is getting more attention this year than it has had for most of the postwar years, when the Canadian Government was primarily occupied in supporting the international approach to trade through the General Agreement on Tariffs and Trade, and when it was also much concerned with the rehabilitation of British and European industry after the war.

For a period Canada made quite exceptional efforts to promote the sales of goods from soft currency countries in this market. The turning point in these efforts was probably symbolized last year by the decision not to repeat the Canadian International Trade Fair which had been primarily designed to assist the export promotion efforts of the soft currency countries.

A Royal Commission on Canada's economic prospects is expected to report before the end of this year, and it is sure to give some attention to the level of the Canadian tariff. Its recommendation cannot be anticipated, but perhaps the most significant fact is that the government's postwar policy of maintaining low tariffs and encouraging imports is at least being reviewed from the bottom.

Increasing attention is also being given here to the fact that manufacturing industry in Canada — even including the primary processing which constitutes so considerable a proportion of the total — has not expanded since the war at the same pace as the primary resource industries such as mining, forestry and petroleum. The volume of manufacturing output reached its peak in 1953. Its decline constituted the major element in the recession of 1954, and although there has been a pick-up in 1955, it has still not quite come back to the level of 1953.

Against all this must be reckoned the steady growth in the Canadian market. If the growth in the Canadian population, running at between 2½% and 3% per year, is considered alongside the equally steady growth in Canadian purchasing power, this must be regarded as one of the most rapidly growing markets in the world. In the last census of 1951 Canada had just over fourteen million people. By the end of 1955 this was nearly sixteen million people. In another two years probably another two million will have been added, and the growth seems almost bound to continue at something like the same pace. By 1975 the population seems likely to be between twenty three and twenty six million people.

It is largely in consideration of this growth factor that so many manufacturers, both Canadian and foreign-owned, are seeking to establish themselves in this market while the going is still good. Already a great variety of British and European concerns have established successful subsidiaries here. They vary from pipe mills aiming to get the benefit of the inevitable expansion of petroleum and natural gas distribution, to the manufacturers of biscuits and other specialty products. Many of them are doing quite well already, and are looking forward to much better results as the market increases.

With public acceptance established on the basis of the present population, they calculate that their growth should be as assured as the growth of Canada.

The Prime Minister Of Canada Writes

THE publishers of The Financial Post are to be commended for bringing to their readers throughout the world the up-to-date information on our national economy which is contained in this Report to the World on Canada.

Throughout the past year Canadians have made further strides forward in the development of the extensive national resources within our borders. Work upon the St. Lawrence Seaway has been proceeding rapidly, impetus has been given to the completion of the Trans-Canada Highway and arrangements have been made for the construction of a Trans-Canada natural gas pipeline. These large projects are part of a general expansion in the national economy which in 1955 produced a record amount of employment and the greatest level of international trade in our history.

The Rt. Hon. L. St. Laurent
Prime Minister of Canada

Despite the great work under way, Canada's friends abroad can be assured that we are conscious of our international responsibilities as a free people and that we shall continue to strive along with other freedom-loving nations for the well-being of all peoples and for a world at peace.

I should like to extend to the readers of this Report my very cordial greetings and good wishes.

(Louis St. Laurent)
PRIME MINISTER

Ottawa,
1956

Growth at a Glance

	NEW CAPITAL INVESTMENT IN MANUFACTURING 1953-55 inclusive* $ Millions	% of Total	MANUFACTURING EMPLOYMENT 1955
Food, Beverages	417.6	10.4	149,803
Tobacco, Tobacco Products	16.7	0.4	8,464
Rubber Products	67.3	1.7	22,385
Leather Products	14.4	0.4	28,400
Textiles	132.4	3.3	64,298
Clothing	45.4	1.1	97,020
Wood Products	166.2	4.1	97,853
Paper Products	565.6	14.1	90,629
Printing, Publishing, Allied Industries	80.7	2.0	50,036
Iron, Steel Products	505.9	12.6	168,736
Transportation Equipment	341.3	8.5	137,146
Non-Ferrous Metal Products	360.1	9.0	57,059
Electric Apparatus, Supplies	137.7	3.4	80,411
Non-Metallic Mineral Products	193.1	4.8	33,962
Petroleum, Coal Products	344.6	8.6	14,154
Chemical Products	334.1	8.3	56,203
Miscellaneous	34.0	0.9	23,537
Capital Items Charged to Operating Expenses	257.6	6.4	.....
	4014.7	100.0	1,180,096

*Includes Preliminary Estimates for 1955.

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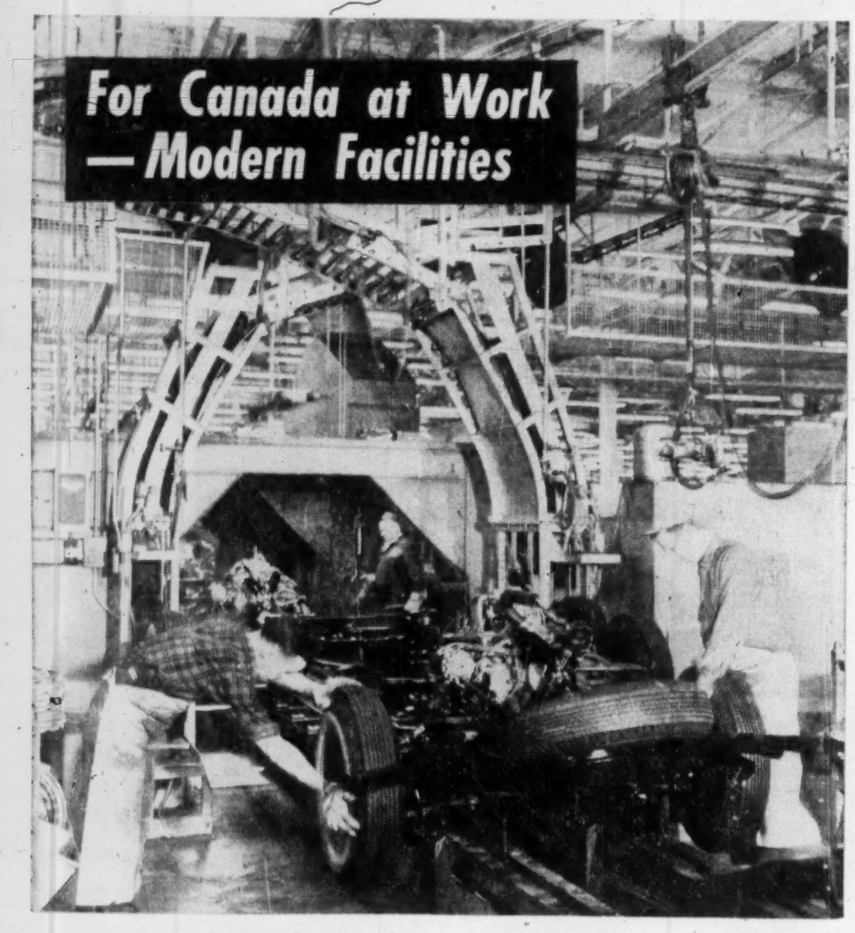


Saskatchewan —
A PROVINCE WITH OPPORTUNITIES

Here are some specific openings:

WOOD UTILIZATION

Saskatchewan's great forest potential presents immense scope for a variety of new industries where factors of local market, raw materials supply, low distribution costs and economical production offer an attractive investment opportunity.

Opportunities now exist for the location of plants to produce plywood, furniture, truck boxes, building materials and a wide fange of wood products. Saskatchewan has 16,802,000,000 f.b.m. of timber, sizes 10 inches and up.

CLAY UTILIZATION

Extensive and diverse industrial clay resources are available in Saskatchewan. There are deposits of brick, bentonitic and ceramic clays in the heavily populated southern part of the province. Large reservoirs of raw materials for the clay products industries offer many opportunities for manufacturers of common brick, tile, fire brick, pottery and yellow ware, electrical porcelain and wall tile, etc. The expanding oil industry presents a growing market for the preparation of drilling mud from Saskatchewan Bentonite.

PULP and PAPER MILLS

Saskatchewan has 87,000,000 cords of pulpwood ready and accessible to supply the needs of four large paper mills.

Continuing forest inventories, conservation measures and sound forest management give assurance of an adequate and constant supply of pulpwood.

Saskatchewan meets the requirements of industry; low extraction costs, water, power, fuel and a natural supply of sodium sulphate.

THE CHEMICAL INDUSTRY

Saskatchewan invites the chemical industry to survey the facilities existing for profitable manufacture of chemical products.

There is an abundance of raw materials essential to chemical manufacturing: crude oils, natural gas, salt, sodium sulphate and potash. Centre of a fast growing prairie market, Saskatchewan offers an opportunity for production of a wide range of chemical products; soda ash, caustic soda, chlorine, coal tar dyes, products for salt glazes in the ceramic industry, fertilizers and sodium chlorate for weed killer.

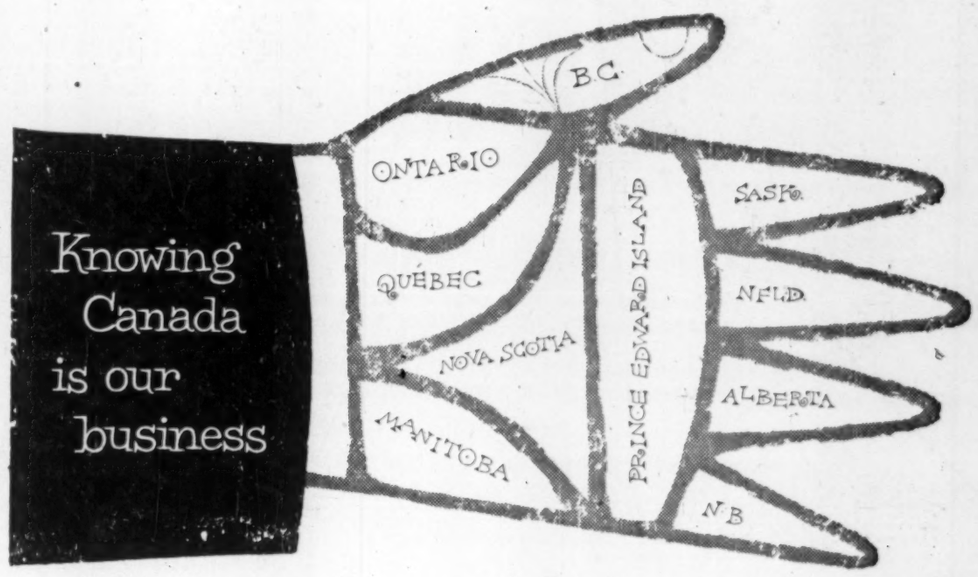
For additional information about these and other opportunities write to:

Saskatchewan
INDUSTRIAL DEVELOPMENT OFFICE
12th AVENUE AND LORNE STREET, REGINA
MINISTER - HON. T. C. DOUGLAS - DIRECTOR - D. M. F. BLACK

FINANCIAL ASSISTANCE

The manufacturer wishing to establish a plant in Saskatchewan or to expand his existing capacity may apply for a loan from the INDUSTRIAL DEVELOPMENT FUND up to 50 per cent of fixed assets.

Industrialists interested in the opportunities existing in Saskatchewan are invited to inquire about this assistance plan.



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And when you come to Canada be sure to visit our Business Development Department at Head Office, King and Bay Streets, Toronto, Ontario. They will give you complete details on credit reports . . . trade representation . . . import-export regulations . . . letters of credit . . . factory sites . . . business introductions . . . market information and other necessary data. So, if you're thinking of Canada . . . make sure the first step you take is the step towards the TORONTO-DOMINION BANK for information. They'll be glad to give you prompt and courteous attention.

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Canadian Mining Continues to Make Impressive Records

EXPANSION of Canadian mineral output might be termed an eighth wonder of the mining world.

After a 10-year stint of annual increases to the end of 1954, Canada's mining industry might have been thought to be ready to "rest on its oars"—particularly as gold lost some of its glitter due to a sharp reduction in cost-aid subsidy.

But in many ways 1955 proved the industry's most impressive year. With a shattering $290 million increase in output value, the country's output climbed 19.5% in the single year to $1,778 millions.

There were sharp increases in many items including iron ore, copper, nickel, zinc and asbestos as well as petroleum which rates as a mineral. Even gold production showed a 5% increase in ounces of gold produced and an even greater increase in value due to the approach of the Canadian dollar to parity with the U.S. currency unit.

Great as the 1955 record of expansion has been, industry officials are confidently predicting a further large increase in 1956, barring any great shift in demand or prices. Iron ore, uranium, copper, asbestos and possibly nickel are headed for further increases in dollar returns on basis of presently available information.

From the longterm standpoint Canada never appeared to offer greater prospects for a sustained expansion of production due to new production facilities now being constructed or arranged and newly discovered mineral deposits which are expected to ultimately contribute to production totals.

In retrospect, it looks as if general economic developments was designed to fit in with the possibilities of Canadian mining.

When the U.S. steel industry began to record its greatest production, Canada's high grade iron mines were just getting into position to help satisfy that demand. Now it looks as if Canada's tremendous reserves of lower grade iron will provide "tailored" ores in the hour of need for the U.S. industry.

"New" Minerals

When emphasis developed on finding columbium, Canada found large deposits in the new Oka area not far from Montreal, in the Lake Nipissing area near North Bay, Ont., and at the Multi-Minerals property near Nemegos west of Sudbury.

Lithium? In 1955, Quebec Lithium Corp. placed a 1,000-ton mill in operation in the LaCorne area of Quebec and may prove the Western Hemisphere's largest producer of lithia. Substantial further deposits of lithium have been established by Lithium Corp. of Canada, ViolaMac Mines, Nama Creek Mines as well as others and about a dozen important lithium areas are now recognized in Canada. In fact, known Canadian deposits can likely take care of any demand for this metal which may arise in the near future.

Pitcheblende (uranium) is shown officially at only $23 millions for 1955. But by 1958 uranium output value is officially expected to reach a level of $180 millions annually. Contracts have been completed by Eldorado Mining & Refining for over $500 millions of uranium acting as an agent of the U.S. Government. Canada has established many more mines which can turn out uranium profitably at a $10 a pound price if there are willing and reliable buyers who wish to enter into contracts.

The future appears so bright for Canada in the realm of new minerals, it's apt to obscure the glamour of production accomplishments already achieved.

Canada stands first in production of nickel, asbestos and platinum metals without a close challenger; second in gold, zinc, aluminum, cadmium, cobalt; third in silver; fourth in copper and lead. It is difficult to assess the position on uranium but Canada may be now in second position with a strong possibility of eventually becoming the world's greatest uranium producer due to the tremendous resources of the Algoma camp.

Major Developments

Right from the Atlantic to the Pacific, mine development runs at high levels. In British Columbia, a large tonnage copper operation appears shaping up for Granduc. In the Yukon, the Vangorda area of Prospectors Airways and associates offers the possibilities of a large lead-zinc-copper operation while Hudson Bay Mining & Smelting has established a large nickel-copper deposit. The Northwest Territories shows a great new lead-zinc field at Pine Point on Great Slave Lake, a likely nickel producer at Rankin Inlet on Hudson Bay and a substantial magnetite iron occurrence on the Belcher Islands. Then there is the new uranium field at Marian River.

Saskatchewan shows prospects for numerous new uranium mines at Beaverlodge. The Anglo-Rouyn copper deposit is now under development at Lac La Ronge and large potash occurrences are being brought under development in the mid-section of the province.

Ontario has its Algoma and Bancroft uranium camps, the new Manitouwadge copper-zinc camp where Geco Mines is being brought into production, the big iron ore body of Iron Bay mines near Red Lake, the prospective columbium operations at North Bay and Nemegos, the new Populus Lake-Werner Lake nickel area in Western Ontario where underground development is being undertaken of three newly indicated mines.

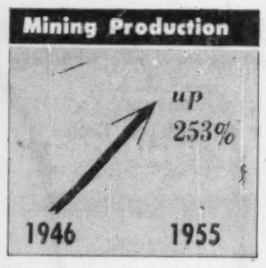
Manitoba sees a shaft going down on a low grade International Nickel occurrence in the Mystery Lake area. Several lithium bodies and a nickel deposit have been found in the south part of the province.

Quebec is in the throes of big iron ore developments in the northern reaches of the province, an expanding new copper camp at Chibougamau, impressive new lithium and columbium fields in the LaCorne and Oka sectors, respectively.

New Brunswick particularly distinguishes the Maritimes with a 1,500-ton mill planned for Heath Steele Mines, a

(Continued on page 4)

Mining Production



The Trade and Commerce Minister Writes

THE RT. HON. C. D. HOWE
Minister of Trade & Commerce

ONCE again I welcome the opportunity afforded me through the pages of this special overseas edition of "The Financial Post" to comment on Canada's economic position and the prospects for its further development. In the economic field nations are no longer able to pursue their policies in isolation. The economy of each is dependent to some degree upon exterior forces over which it has little direct control. It is only if we work in concert that we are able to remove those barriers which can do so much to nullify favorable factors in individual countries.

Canada has indicated in her negotiations with other countries and in her support of the General Agreement on Tariffs and Trade that as the world's fourth trading nation she is fully and keenly aware of this interdependence. Her trading policies have been developed in accordance with this view.

The experience of the postwar years in Canada has shown me that these liberal policies have been rewarding. Our export and import trade last year were at all time highs. This means not only expanded markets abroad for a wide range of Canadian products but also a greater opportunity for other countries to sell their goods to us.

Preliminary surveys for 1956 give me reason to anticipate another year of economic expansion. Capital expenditures in Canada and the development of our resources will go hand in hand and there seems to be no lack of pioneering projects to be undertaken as opportunity offers.

Our population is expanding, our northern frontier is being pushed back and new techniques are making it possible for us to take advantage of those resources which have been locked in the earth or for which a sufficient demand is only now making itself felt. The waterways of Canada, not only in remote areas but along the oldest transportation route in North America, are being harnessed for our use. The St. Lawrence River and the Great Lakes system is once again, and on a grand scale, yielding both power and passage to the two countries of which it forms the border.

Oil from Western Canada is serving the power-hungry industries of the East and natural gas will soon parallel the oil on its eastward journey to supplement the fuel resources needed for home and industry. Power from the development of atomic energy is just around the corner and the reactor to be erected at the Des Joachims site on the Ottawa River will be producing power from this source by 1958.

I have mentioned these favorable factors in the Canadian economy, not solely because of what they mean to Canadians but also because of the effect they may have on other countries — our neighbors and our trading partners. If Canada is prosperous this will help to develop and maintain the sort of economic stability which is so essential in an interdependent world.

The Wealth from Mines

	1955 Quantity	1955 Value	1954 Quantity	1954 Value
Antimony, lb.	1,970,000	$ 536,575	1,302,333	$ 349,249
Bismuth, lb.	207,670	422,333	258,675	572,183
Cadmium, lb.	1,971,012	3,350,720	1,086,780	1,847,526
Cobalt, lb.	2,999,650	7,723,500	2,252,695	5,912,997
Columbium (Cb_2O_5), lb.	42	1,032	90	2,294
Copper, lb.	649,207,453	239,394,952	605,464,042	175,712,693
Gold, troy oz.	4,556,400	157,305,152	4,366,440	148,764,611
Indium, troy oz.	106.000	238,500	477	1,278
Iron ore, tons	17,377,252	113,[illegible]	7,361,598	49,666,507
Iron ingots, tons	116,100	4,762,000	90,562	2,910,663
Lead, lb.	387,948,053	55,786,929	436,990,488	58,250,831
Magnesium & calcium		4,657,225		4,101,642
Molybdenite, lb.	1,289,441	806,184	752,417	457,912
Nickel, lb.	349,161,430	216,433,694	322,557,961	180,173,392
Palladium, iridium, etc., troy oz.	211,820	8,118,000	189,350	7,956,087
Platinum, oz.	240,000	14,715,000	154,356	12,950,469
Pitchblende, etc.		23,000,000		26,467,574
Selenium, lb	431,000	3,009,900	323,529	1,617,645
Silver, troy oz.	27,901,427	24,625,797	31,117,949	25,907,870
Tantalum (Ta_2O_5)	390	9,760	77	2,696
Tellurium, lb.	6,000	11,000	8,171	14,300
Tin, lb.	397,000	317,600	333,788	263,359
Titanium ore, tons	1,736	12,152	1,541	9,462
Tungsten (WO^3), lb.	2,282,970	6,465,638	2,170,632	5,795,781
Zinc, lb.	853,931,313	116,425,122	752,982,355	90,207,285
Non-metallics				
Arsenious oxide, lb.	650,000	29,250	1,180,350	48,333
Asbestos, tons	1,055,266	98,690,514	924,116	86,409,212
Barite, tons	202,600	2,142,378	221,472	2,003,796
Diatomite, tons	.....	.....	4	192
Feldspar, tons	18,844	370,968	16,096	301,049
Fluorspar, tons	131,728	3,063,876	118,969	2,987,026
Graphite, tons	.....	.....	2,463	254,534
Grindstones	10	1,500	.....	.....
Gypsum, tons	4,798,200	8,455,175	3,950,422	7,094,671
Iron oxides, tons	7,467	144,369	5,798	183,507
Lithia, tons	108,056	58,272	17,052	6,300
Magnesitic-dolomite and brucite	.....	3,859,280	.....	4,394,280
Mica, lb.	1,186,235	75,004	1,706,770	85,139
Mineral waters, gal.	282,000	148,750	284,078	148,057
Nepheline syenite, tons	137,000	1,969,000	125,669	1,770,528
Peat moss, tons	126,100	3,322,907	99,272	3,018,622
Quartz, tons	1,858,879	2,006,744	1,716,151	1,574,893
Salt, tons	1,274,011	10,286,210	969,887	8,340,163
Silia brick, M	5,502	656,933	3,578	465,157
Soapstone & talc, tons	28,100	334,100	28,148	335,353
Sodium sulphate, tons	170,801	2,759,034	158,417	2,385,573
Sulphur, tons	628,261	5,560,800	532,406	4,875,969
Titanium dioxide, tons	114,800	5,091,000	88,408	3,841,270
Mineral fuels				
Coal, tons	14,578,821	92,227,211	14,913,579	96,600,266
Natural gas, M.c.f.	143,699,000	14,457,075	120,735,214	12,482,109
Peat, tons	.....	.....	6	60
Petroleum, bbl.	128,811,000	303,561,100	96,080,345	243,877,080
Clay products	.....	34,676,067	.....	32,360,098
Cement, bbl.	25,860,103	64,363,165	22,437,477	59,035,644
Lime, tons	1,303,499	15,190,328	1,214,839	14,742,149
Sand & gravel, tons	123,655,944	65,754,176	110,961,034	58,987,671
Stone, tons	26,534,209	37,629,720	32,767,925	39,857,134
TOTAL		1,778,398,272		1,488,382,091

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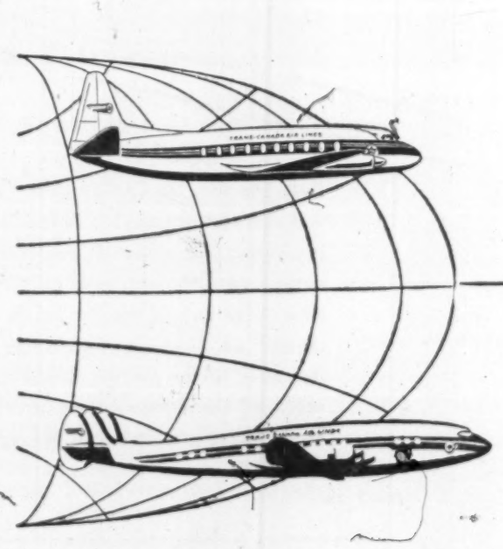

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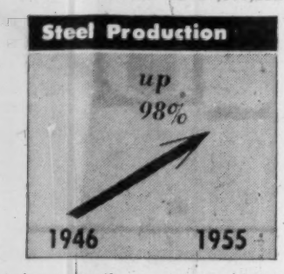
Canada Becoming World's Fourth Iron Ore Nation

ALL INDICATIONS are that Canadian iron ore production has recently exceeded the most optimistic forecasts.

From a non-producer in 1939, this country has made rapid strides in iron production. Projects now in progress or planned, suggest that by 1960 or a little later, Canada may rate as the world's fourth largest iron ore producer.

Production of iron ore in 1955 amounted to 17,377,252



tons worth a record $113.4 millions. This more than doubles 1954's production of 7,361,598 tons worth $49,666,507.

Quebec-Labrador was the big factor in the huge increase in 1955 output. Iron Ore Company of Canada and associate companies turned out and shipped 8,520,000 tons to Seven Islands' on the north shore of the St. Lawrence, marketed 7.7 million tons, considerably in excess of earlier expectations. Step Rock Iron Mines, in Northwestern Ontario, doubled its production as well, shipping a record 2,265,555 tons.

With a strong demand for iron ore, Wabana iron ore mines in Newfoundland probably turned out close to the same tonnage as the 2,383,000 tons of 1954.

Algoma Ore Properties, north of Lake Superior, had a sharp step-up in production, reflecting improved demand, perhaps turning out about 1,300,000 long tons of "tailored ore."

A new mine with a rated production of 500,000 tons of pellets, in South Central Ontario was placed in production by the Marmoraton subsidiary of Bethlehem Steel in 1955 and there was also a production of about 600,000 tons of iron ore operations in British Columbia.

Iron Ore Company of Canada and its Labrador Exploration — Hollinger North Shore partners are aiming at a 1956 production of 12 million tons.

Steep Rock Iron Mines may be able to turn out as much as 3,250,000 tons in 1956 with the Errington No. 1 underground mine expected to supplement ore production from the big Hogarth open pit.

It looks as if Algoma Ore Properties, Dosco (Wabana), and Marmoraton Mining Co. will be straining every effort to maximize production as well. Dosco might be good for 3 million tons of ore in 1956 from its Eastern Canada resources.

On the basis of a longer-range view of iron ore production prospects, an annual output of 35 million to 40 million tons of iron ore would appear a reasonable expectation.

Iron Ore Company will probably move its production up to 20 million tons per annum when the St. Lawrence Seaway is completed.

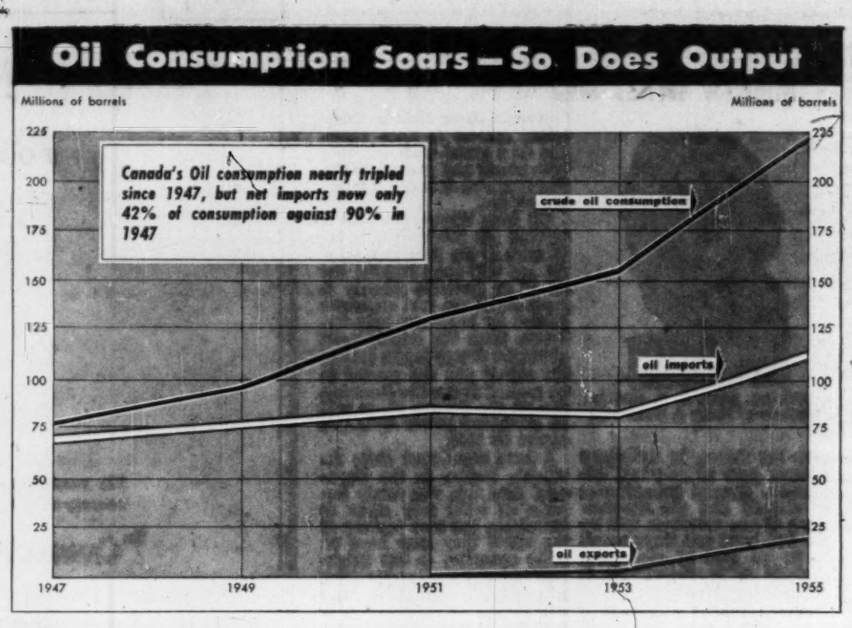
Steep Rock has 5.5 million tons a year as its objective with an additional 3 million tons a year anticipated from Caland, the Inland Steel subsidiary, starting in 1960.

Iron Bay Mines, owning the Bruce Lake iron deposit in Northwest Ontario, is planning to turn out 4 million tons of pellets a year with a projected plant cost estimated at $30 to $35 millions.

Canadian Javelin with an estimated billion tons of low grade ore plans to spend an excess of $30 millions for a substantial production of beneficiated ore from its Wabush Lake deposit adjacent to the Quebec-Labrador railroad.

In the Ungava sector of Northern Quebec, numerous companies had been investigating magnetite iron deposits and studying large-scale production plans. U. S. steel magnate Cyrus Eaton recently announced that prospects for production are becoming more imminent.

Canadian iron ore production, of course, far exceeds anything at present required for domestic use.



Canadian Mining Makes More Impressive Records

(Continued from page 3)

4,000-ton mill expected for Brunswick Mining & Smelting, a new ore body found at Middle River and production plans formulated by Sturgeon River Mines for a property in the Rocky Brook Millstream area. Large but low grade manganese resources have been established.

Newfoundland has Anacon's new Larder mine that is being developed; new prosperity from Labrador iron mining and has possibly as many as three new copper mining operations in sight. The main one is the Tilt Cove operation of Maritimes Mining Corp.

Here is an item-by-item survey of some of our more important minerals:

Nickel: Canada produced an estimated 349 million lb. of a free world nickel output estimated at 429 million lb. in 1955.

Prospects are for expanded production of nickel both at Sudbury and elsewhere in Canada. New custom nickel refining facilities are to be established by Eastern Mining & Smelting at Chicoutimi, Que.

Copper: Canada's most valuable mineral in terms of dollars. Output of 649.2 million lb. was worth $239.4 million in 1955, a dollar gain of almost $70 millions.

Prospects for 1956 are regarded as bright since Gaspe Copper will have its 6,500-ton mill in operation for a full year, Opemiska Copper is doubling effective mill capacity and additional copper can be expected as a byproduct of nickel mining.

Iron Ore: Output well over double in 1955 at 17,377,252 tons worth $113,385,503. Increased marketing by Iron Ore Co. of Canada and Steep Rock Iron Mines chief factors behind increased output as separate iron ore article shows.

A further increase of several million tons is scheduled for 1956 and will strengthen Canada's place as world's fourth largest iron ore producer behind, the United States, the U.S.S.R. and France.

Zinc: Output of 853.9 million lb. in 1955 was worth $116.4 millions, over $26 millions more than a year previous. A better average metal price contributed to improved showing.

With further firmness in price of zinc in 1956, prospects regarded as encouraging for another production increase.

Asbestos: Production broke into new high ground in 1955 with output of 1,055,266 tons worth $98,690,514 (924,116 tons worth $86,409,212, a year earlier).

With a 10% increase in the price of asbestos effective near the beginning of 1956, prospects are for a higher 1956 output value, regardless of expansion plans.

Gold: Output rose nearly $8 million to $157.3 millions for 4,556,400 oz. last year. If Canadian dollar continues close to parity, prospects appear encouraging for a further slight increase in output as cost-aid continues at same level this year.

Uranium: A very sharp increase in production can be anticipated. Not only are Gunnar Mines and Pronto Uranium —new 1955 producers — expected to record a full year's production but the first 3,000-ton mill of Algom Uranium is expected to come into operation around the middle of the year. All other new producers are expected to be in operation by or before March 31, 1957.

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Here Is a Quick, Statistical Look at the Canadian Economy

Growth Indicators

	1946	1954	1955 (est.)	1946-'55 % change
Gross National Product ($ billions)	12.0	24.0	26.2	+118%
Exports ($ millions)	2,312	3,876	4,341	+88%
Imports ($ millions)	1,927	4,093	4,584	+138%
Total Investment ($ billions)	1,703	5,507	5,954	+250%
Construction contracts ($ millions)	663	2,155	3,183	+380%
Labor Force (thousands)	4,828	5,438	5,581	+16%
Carloadings (million tons)	139	145	165	+19%

Income, Sales

Farm Cash Income ($ millions)	1,743	2,378	2,401	+38%
Labor Income ($ millions)	5,328	11,989	12,873	+142%
Retail Sales ($ millions)	5,787	11,959	12,677	+119%

Basic Industries

	1946	1954	1955 (est.)	1946-'55 % change
Steel (thousand tons)	2,252	3,114	4,430	+98%
Pig Iron (thousand tons)	1,406	2,213	3,220	+129%
Coal (thousand tons)	17,806	14,914	14,579	—18%
Petroleum (bbl. per day)	20,800	262,000	353,000	+1,600%
Rubber, synthetic (million lb.)	114	191	202	+77%
Newsprint (thousand tons)	4,506	5,984	6,187	+37%
Lumber (billion bd. ft.)	5.1	7.0	7.7	+51%
Sea Fisheries (million lb.)	1,319	1,901	1,711	+30%

Consumer Durables

Cars, Trucks (vehicles)	171,528	350,152	451,696	+163%
Electric Refrigerators (units)	48,897	236,022	259,624	+431%
Washing Machines (units)	115,190	215,287	264,803	+130%
Radios (units)	568,320	487,237	623,663	+10%
TV Sets (units)	.....	623,856	811,013	+*30%

*1954-'55.

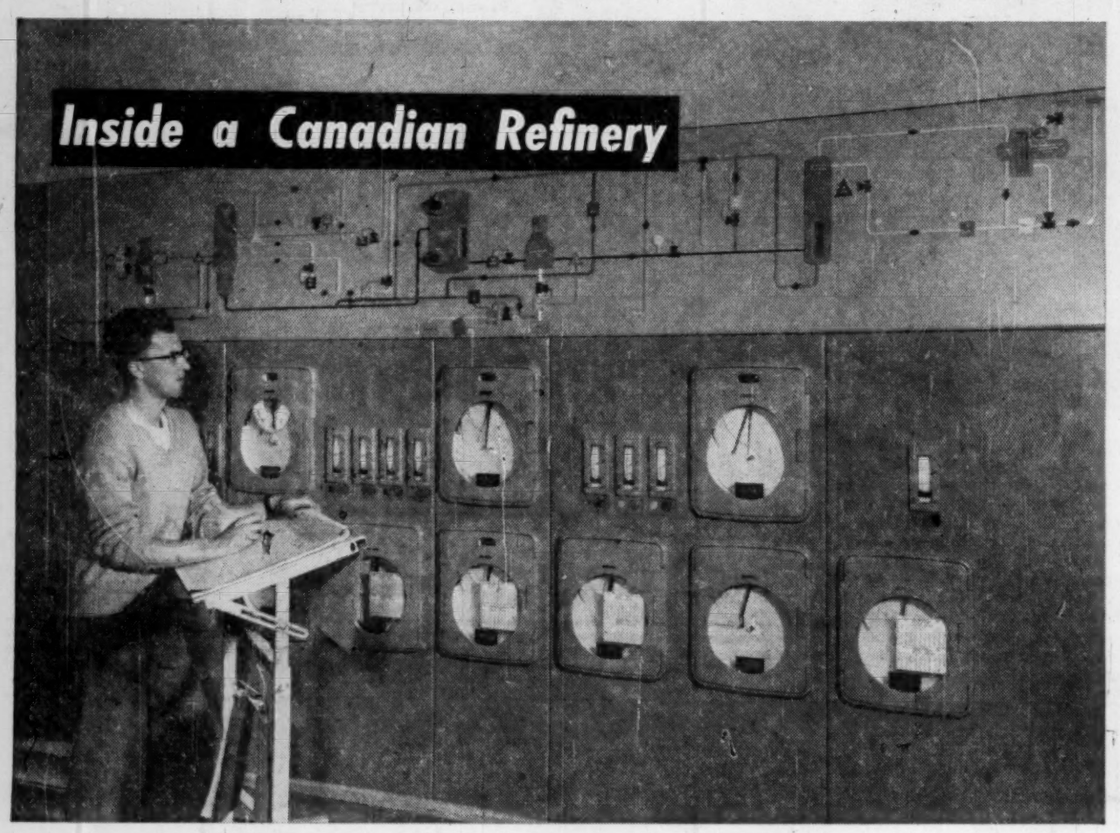
Note: 1946 figures do not include Newfoundland.

Metal Production

	1946	1954	1955 (est.)	1946-'55 % change
Gold (thou. troy oz.)	2,833	4,366	4,556	+61%
Silver (thou. troy oz.)	12,544	31,118	27,901	+122%
Copper (thousand lb.)	367,936	605,464	649,207	+76%
Nickel (thousand lb.)	192,124	322,558	349,161	+82%
Zinc (thousand lb.)	470,620	752,982	853,931	+81%

Agriculture

Field Crops ($ millions)	1,424	1,138	1,400	—2%
Wheat Exports (thousand bu.)	157,529	208,262	210,345	+34%
Wheat Flour Exports (thou. bbl.)	14,984	10,074	8,462	—44%



The External Affairs Minister Writes

HON. LESTER B. PEARSON
Minister of External Affairs

DURING 1955 Canada's position among the nations was an honorable and respected one. In the non-communist world our increasing strength and prosperity was greeted with satisfaction. Our friends know that there was no threat in that development to anyone — but only a stronger basis for the increasingly important part in the world's political affairs which we are now expected to take.

As we develop, however, we should not forget that few nations are so dependent for prosperity and strength on the level of international commerce as we are. In consequence, few nations have a greater interest in the maintenance of peace and prosperity abroad and of conditions which encourage and make possible an easy flow of international commerce.

We cannot, of course, separate our international political responsibilities from our economic interests. It follows, therefore, that we cannot reasonably expect to see established those circumstances which are most favorable to our well-being unless we are prepared to accept continuing responsibility for the solution of international problems.

Just as our own security is menaced by an outbreak of violence anywhere in the world, so our own prosperity would be imperilled by indifference on our part to those countries of the world which, though politically independent, need understanding and assistance in their progress toward economic strength and stability. It would also be imperilled, and more dangerously, by narrow and discriminatory commercial policies on the part of other countries.

These two considerations give us the key, I think, to the international economic policies that this country should follow and support; policies which are essential both to our security and our well-being.

New Oil Nation Born In Decade

Oil Expansion at a Progressive 25% Per Annum

FROM a "have not" in oil importing 90% of its domestic requirements in 1947, Canada has become one of the world's leaders in the oil business in less than a decade.

Only the United States and Venezuela in the Western Hemisphere, Iraq, Kuwait, Saudi Arabia, and perhaps Iran in the Middle East and Soviet Russia, turn out more than the burgeoning Canadian oil industry.

Expansion of oil production in recent years has averaged more than 25% per annum. And oil from the Prairies of western Canada will undoubtedly be an increasingly important factor in the world oil picture.

Final figures for 1955 oil production will not be available for some time but it is estimated by The Financial Post that the year's production aggregated about 128 million bbls., worth in the neighborhood of $303 millions. This compares with a 1954 record of 96,080,345 bbls. of crude worth $243,877,030.

Prospects for a much larger crude production in 1956 are very bright but the oil industry is nevertheless not too pleased about the oil marketing picture. Production will not be anywhere near developed oil potential.

Current production is about 422,000 bbls. a day — or 154 million bbls. a year—even though winter is a period of relatively low demand. But oil wells already drilled could probably turn out about 650,000 bbls. a day—under good conservation practices — or considerably more than Canada's present oil consumption of about 610,000 bbls. daily. Markets are the No. 1 problem.

Pembina Big Factor

Discovery of Alberta's 1,000-million barrel Pembina oil field—and large-scale drilling for the first time in this area in 1955 — undoubtedly played a large part in expanding productive potential last year. This development has made the need for further markets more pressing.

The fact that drilling out of Pembina is only well started—and other new fields such as Sturgeon Lake have been discovered—suggests that further markets will continue to be a prime requirement for years to come.

There has been considerable debate in Canada as to where next important markets should be expected.

One school has held that the big crude markets in the U. S. lying next to Canada's border provide the most promising hope for expanded marketings. And there have been greatly increased marketings already in the U. S. Pacific Northwest by Trans Mountain Oil Pipe Line and in the Minneapolis-St. Paul area via a spur line from the Interprovincial Pipe Line which extends eastward to Ontario. Recently the first Canadian crude was taken by both California on the west coast and Michigan.

Prospects for marketing in the United States took on a rather brighter hue during the latter part of 1955. The U. S. has a 10 cents a barrel tariff against Canadian crude. Canada had been "blamed" earlier for growing exports of crude to the U. S. during a period of voluntary curtailment of imports by the U. S. oil industry. However, imports of oil from Canada have now received U. S. blessing as important to U. S. defense. The threat of an embargo against Canadian crude, if it ever existed, has now been removed.

The retreat of the Canadian dollar to parity with the U. S. dollar has also assisted Alberta crude in tapping U. S. west coast markets in competition with waterborne crude supplies.

But not all the people feel that U. S. markets should be the objective for increased crude marketing. There are those that feel the Interprovincial Pipe Line should be extended from its present eastern terminus at Sarnia, Ontario, to Montreal. Plans call for extension only to Toronto.

In Montreal area there is available a refinery market for 200,000 bbls. of crude a day. To move oil over the 500 miles would cost 12 to 15 cents a barrel on top of the price at Sarnia. Oil could be made competitive at Montreal only by a further lowering of the well-head price, already the lowest in North America. Practical considerations suggest that the Montreal market is perhaps a few years in the future.

Canadian Petrofina and some other Montreal refiners undoubtedly are interested in using their own crude, from elsewhere in the world, or have established supply arrangements which would not be changed simply because a new pipeline was brought into being. Obviously, Montreal refiners would have to guarantee to take a certain minimum of western oil before a Montreal pipeline would become feasible.

Oil field exploration and development are big business in Canada with estimated 1955 expenditures reaching a new high of $473 millions. This is entirely exclusive of expenditures on pipelines, refineries, gathering lines, etc.

Apropos of refining, Canada now has an established refining capacity of 625,000 bbls. — the world's fourth largest, only exceeded by the United States, Russia and the Netherlands West Indies.

Drilling At Record

From the standpoint of oil field activity in Western Canada in 1955, the record high level of drilling activity was undoubtedly the most notable feature. Geophysical activity was little changed from the previous year.

In the first 11 months of 1955, 11,556,069 ft. of drilling was completed in Western Canada oil areas of which 8,137,165 ft. represented development drilling and the balance exploration. This drilling was done on 2,690 wells of which 1,944 wells were development wells and the balance exploratory holes.

Alberta again was responsible for over half of all Western Canada drilling activity.

Of the 11,556,069 ft. of drilling completed to the end of November, Alberta contributed 7,625,491 ft., divided into 5,590,280 ft. in development wells and 2,035,211 ft. in exploratory ventures.

Saskatchewan continued in second place with 2,916,849 ft. of drilling: 1,878,382 ft. in development wells; 1,038,467 ft. in exploration wells.

Manitoba has become an increasingly active oil area and accounted for 780,538 ft. of drilling of which 621,552 ft. was in development and 158,986 in exploration.

British Columbia's Peace River area to the north has had a great concentration of geophysical activity in recent years. This is reflected in 195,797 ft. of drilling in the first 11 months of 1955 of which all but 16,951 ft. was exploratory drilling.

Three exploratory wells were drilled in the Northwest Territories and resulted in 7,394 ft. of exploratory footage.

Despite the progressively higher levels of oil exploration in Canada in recent years, geologists say the surface has really only been scratched. Canadian oil reserves were estimated by the industry at 2.4 million bbls. at the beginning of 1955 but may have reached and passed the three billion barrel mark during the past year as development of the Pembina field has proceeded. While this field is expected to yield ultimately 1,000 million barrels of oil, only a relatively small barrelage had been included in reserves at the beginning of 1955.

Expect Reserves Jump

With a 770,000 square mile sedimentary area in Western Canada, oil reserves — and daily production — are expected to show a progressive climb over the next decade

There has so far only been one well drilled for each 178 square miles of the western sedimentary basin. The Yukon has a large and virtually unexplored belt of sediments and the Canadian Arctic has in recent years given indications of big salt domal structures which could be reflected in oil discoveries.

Present indications are that gas will cause a further upswing in western petroleum activity in the current year. Work has already commenced on the Westcoast Transmission line which will deliver gas from the Peace River area of Northern Alberta and British Columbia to Southern British Columbia and the U. S. Pacific Northwest. The Trans-Canada pipeline project to deliver gas from Western Canada to Eastern Canada and United States markets has made substantial progress but now must await U. S. approval of a gas "trade" which would permit building up Eastern Canada markets during the construction period. It has been estimated that an extra $300 millions will be spent on development of western gas fields, and equipping these fields for delivery of gas required for the two projects.

Prospective large-scale sale of natural gas will assist the petroleum industry in realizing on what has hitherto been regarded as largely a "frozen asset." Western gas reserves amounted to 15.6 trillion cu. ft. at June 30, 1955 — much more than adequate for any present pipeline proposals.

One of the big factors facing the petroleum industry is development of a petro-chemical industry (and markets) sufficient to absorb the tremendous amount of natural gas constituents which must be removed before gas can be delivered by pipeline for markets. As one authority facetiously remarked, "They will be looking for places to throw sulphur when the cleaning of gas for Eastern markets gets underway."

Undoubtedly Western Canada gas reserves represent a tremendous reserve of sulphur should this product ever again become in short supply.

A recent proposal has been launched for construction of a 10-inch pipeline for delivery of propane to Eastern Canada. In the first instance the line would be constructed to Winnipeg with the eastern link coming later. This is separate and in addition to the proposed "big-inch" natural gas line.

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CHEMICALS

Chemicals Fastest Growing of All Cdn. Industries

GROWTH of Canada's fast-stepping chemical industry has far outstripped the expansion of manufacturing as a whole since the end of World War II.

Part of the increase has arisen from bigger demand in normal requirements of growing industry, but more of it has represented entirely new products and new processes. With no sign of any abatement in industrial tempo in Canada and more and more natural resources development ahead this trend is expected to continue over the foreseeable future.

An outstanding market research expert has recently forecast that the Canadian chemical and allied products industry will expand two-and-one-half times by 1975.

In 1955 for the first time dollar output of chemicals and allied products has exceeded $1,000 millions. This compares with $160 millions in 1939, the best prewar year, and $376 millions in 1946. Between the late 1920s and the early 1950s the volume of chemicals output rose more than five times as compared with a threefold increase for manufacturing as a whole.

The most marked expansion currently is in heavy chemicals related to new natural resources development, such as sulphuric acid for uranium and other metallurgy, and ammonia made from oil or natural gas to supply new agriculture, metallurgical and wood pulping processes — all basic industries to Canada.

Hinged on Resources

Major chemical operations have grown up almost wholly around extraction or utilization of five Canadian natural resources: hydro-electric power; sulphur - bearing ores and gases; salt; wood and petroleum products.

One of the highlights of postwar chemical growth has been emergence of Canada as a major world producer of petrochemicals. From a $50-million start in one wartime synthetic rubber plant, investment in this branch of the industry has arisen to over $275 millions in some two dozen plants. The products from these new plants include plastics, fertilizers, pharmaceuticals, anti-freeze, textiles and a broad range of industrial chemicals that go into hundreds of consumer products.

The wave of new petrochemical plants is not only cutting millions of dollars from Canada's annual import bill but is gradually exerting an all-important effect on direction of industrial expansion generally. Already a widening range of secondary industry based on these chemical "building blocks" is being attracted to Canada.

This postwar development — an offshoot to the chemical industry — has been closely associated with discovery and development of oil and gas in Western Canada and an unprecedented building boom in oil-refining capacity in this country. A doubling of refining capacity since end of World War II has made available a greatly expanded volume of byproduct gases to the vigorous sister industry — petrochemicals. The new plant developments are concentrated close to the largest refining centres — Montreal, in Quebec, Sarnia, in Ontario, and Edmonton, in Alberta.

The Chief Products

In line with this growth trend in petrochemicals the fastest-growing segments of the Canadian chemical industry have been detergents, medicinals, synthetic plastics, auto chemicals and synthetic fibres. Although also expanding steadily, fertilizers, pesticides, solvents, pigments and dyes have turned in a less impressive growth record.

In volume of production heavy chemicals still hold top spot in this country with a dollar volume of $143.3 millions in 1954, up some 12% over previous year (is expected to show same gain for 1955). Paints and varnishes run second ($109.8 millions). Medicinals and pharmaceuticals have been expanding rapidly and touched $94 millions in 1954.

Currently Canada is exporting some 15% of chemicals output and probably another 20% goes into the manufacture of Canadian goods which are exported, e.g. paper, metals, etc. Since the end of the war Canada has been importing some 20% of its chemical needs as compared with around 30% in the late 1920s; purchases from U.S. accounted for around 85% of imports with purchases from U.K. making up some 8%. Heaviest import items are drugs and medicines, paints and pigments, fertilizers.

In the organic field, until the population and secondary industries have grown considerably, manufacture at economic costs cannot be achieved in many chemical lines. In others, particularly specialized organic fine chemicals and dyestuffs, the disparity in size between the plants sufficient to supply Canadian needs and those operating abroad is so great that these products cannot be made in Canada to sell at a profit in competition with imported goods even after they have paid duty and freight.

A long-standing problem facing the chemical industry is great distances often between new natural resources developments and most heavily populated market areas. Because of great shipping distances in this country, railway freight charges play an important role in the economics of the Canadian chemical industry and sometimes limit its ability to make use of plentiful raw materials located far from markets, particularly for low - priced industrial chemical products.

Import Competition

A greatly expanded chemical giant of the U.S. and an increasingly aggressive European chemical industry have been exerting considerable competitive pressure on Canadian producers in the last couple of years. The domestic industry has asked the federal government for a complete and searching review of the entire chemicals tariff picture. Ottawa has acceded to this request and the hearings are expected to get under way this fall.

A number of well-known chemical organizations from outside the country have been quite active in the postwar expansion program of this country, e.g. Dow Chemical of Canada, Du Pont of Canada, Canadian Industries Limited (Imperial Chemical Industries), Canadian Chemical Co. (Celanese Corp. of America).

Here are a few of the significant postwar plant projects in the chemical industry:

—A $20-million plant for first Canadian production of nylon intermediates came on stream over a year ago at Maitland, Ont. This plant will make Canada self-sufficient in this field.

—A $20-million Terylene plant came into full operation this summer at a site near Kingston, Ont. Main plant has a capacity of some 11.5 million lb. a year.

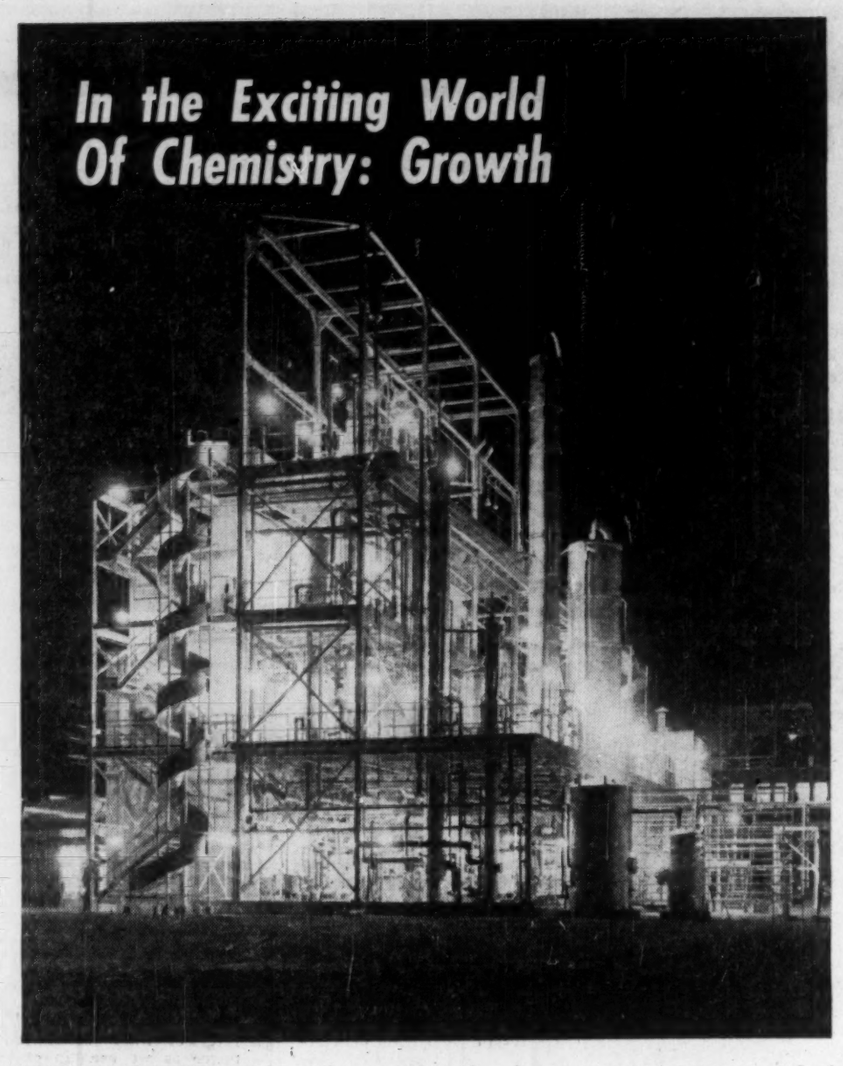
—Production of acetate fibre and filament yarns, along with a dozen or so industrial chemicals, got under way early in 1954 from a new $80-million petrochemical plant at Edmonton.

—First Canadian production of polyethylene started early in 1954 from a $14-million plant at Edmonton, Alta. Based on petroleum gases available in the area, this plant will make Canada largely self-sufficient in this particular plastic material.

—Sharply expanding demand for the output of Canada's Crown-owned synthetic rubber plant at Sarnia, Ont., has necessitated a continued plant expansion program.

—Dow Chemical of Canada also at Sarnia, has just recently announced a second major expansion program.

—A new revolutionary chemical - metallurgical plant now operating in Alberta (Sherritt Gordon Mines) is using an ammonia-leaching process to recover refined nickel, copper and cobalt. As well as the nickel some 70,000 tons of ammonium sulphate is being produced annually along with some additional ammonia. The West's first sulphuric acid plant — just recently completed — by supplying acid to this new operation will enable a great increase in production of fertilizers.



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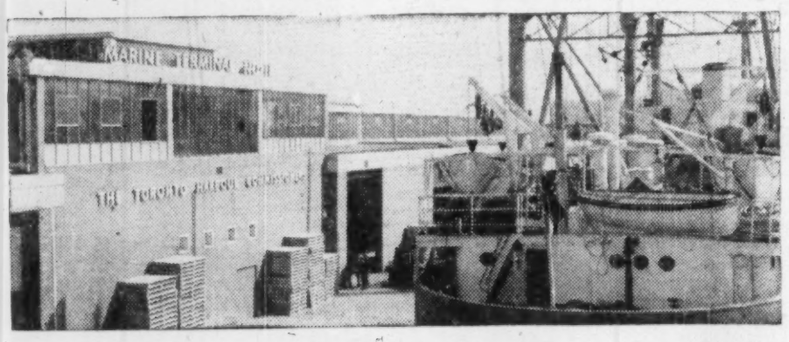

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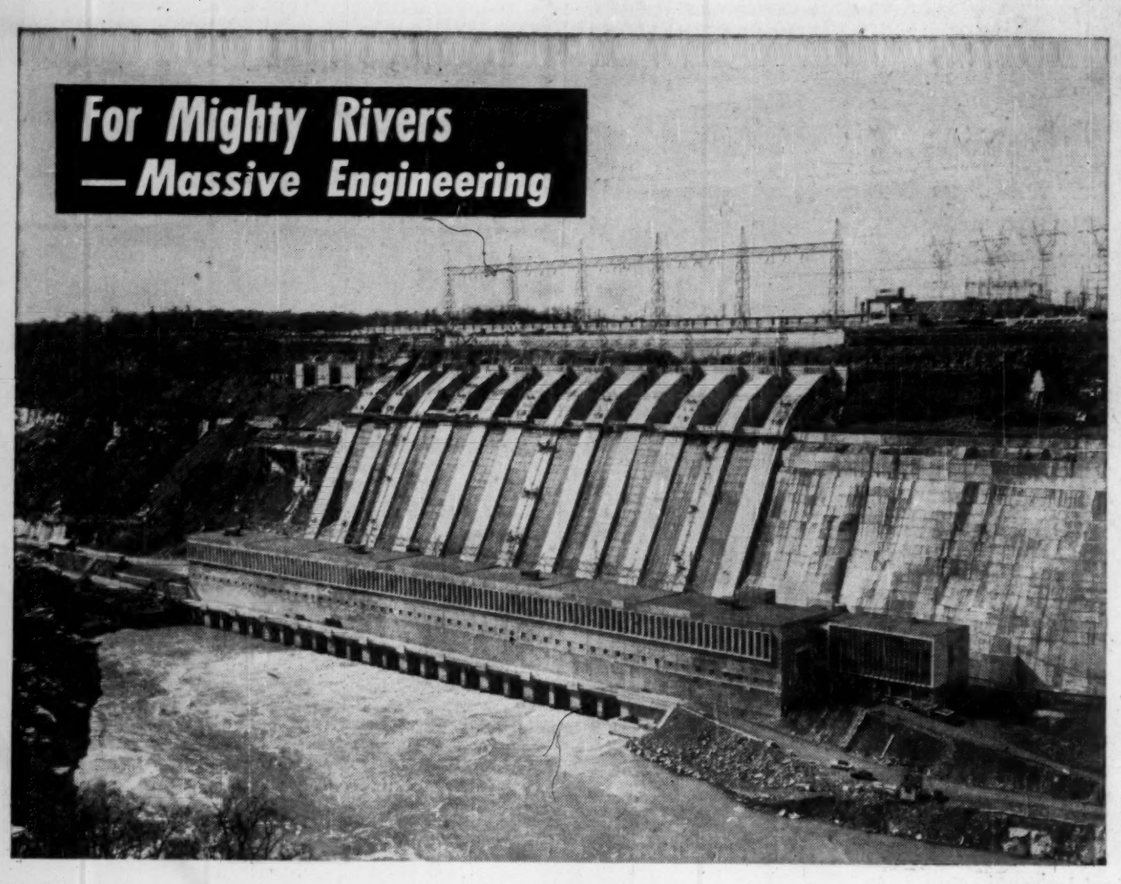

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Sinew for the Nation's Industry

Total Installed Electrical Power Capacity in Canada

(THOUSANDS OF KILOWATTS)

	Thermal			Hydro			Totals		
	1954	1955	1956	1954	1955	1956	1954	1955	1956
Newfoundland	14	14	29	207	210	216	221	224	245
Prince Edward Is.	18	18	25	....	....	....	18	18	25
Nova Scotia	186	246	238	130	135	135	316	381	373
New Brunswick	106	104	105	112	113	113	218	217	218
Quebec	12	13	13	5,346	5,519	5,771	5,358	5,532	5,784
Ontario	524	716	730	3,463	3,732	3,773	3,987	4,448	4,503
Manitoba	51	51	51	526	561	561	577	612	612
Saskatchewan	239	277	340	85	85	85	324	362	425
Alberta	193	224	321	202	220	220	395	444	541
British Columbia	98	100	85	1,574	1,609	1,898	1,672	1,709	1,983
Yukon & N.W.T.	...	....	....	24	24	24	24	24	24
Canada	1,441	1,763	1,937	11,669	12,208	12,796	13,110	13,971	14,733

Cheap Power Backs the Boom

Tremendous Untapped Potential Lies Ahead

ONE OF THE significant factors in Canada's tremendous growth in the past ten years has been the availability of electric power — most of it from the cheapest source of all — water. And that is still a fundamental in this country's continuing expansion.

Perhaps more than any other single factor, waterpower made possible the nation's mammoth spurt in industry and population in the last decade. It is expected to play that vital role to an even more significant degree in the future.

Today, Canada's installed power capacity, both thermal and hydro, is just under 14 million kilowatts of which 90% is hydro. But her total waterpower potential alone is estimated at nearly 48 million kilowatts. It means that only about one-quarter of her recorded available waterpower resources have been developed.

The Second World War, with its insatiable demand for power to produce war materials, brought recognition of Canada's waterpower resources. The end of that war released the manpower and materials which enabled the vast sweeping development program of the last decade to begin. That program shot Canada's hydro installations from 10.3 million hp. in 1945 to 12.6 million hp. at the end of 1950. It jumped to 14.9 million hp. in 1953 and 16.7 million hp. by the end of 1954. The development represented an increase of nearly 60% in nine years.

And still it grows. The figure is expected to top 22 million hp. by the end of 1958, based on estimated growth of demand.

A joint report by the Dominion Bureau of Statistics and the Canadian Electrical Association recently showed that capability in Canada is expected to reach 16.4 million kilowatts by the end of 1958. Demand at that time is forecast at 14.6 million kilowatts. It means that the ensuing annual rate of growth will be equal to 7.6% for capability and 7% for demand.

In development of waterpower, Canada already ranks second in the world only to the United States. On a per capita basis Canada ranks second only to Norway and in total power use is the world's fourth-ranking nation. But whereas waterpower provides little more than 20% of the total electric energy produced in the U. S. and a negligible amount of the total produced in the United Kingdom, in Canada it is 90% of total production.

Signposts to Growth

Development of this power mirrors the pattern of industrial growth. Gross national product sprang from $19,300 millions in 1943 to $24,400 millions in 1953. And by far the greater part of that growth has taken place in the areas where cheap water power was available.

Names like Beauharnois (in Quebec), Niagara (in Ontario) and Kemano (in British Columbia) have been the power signposts of economic growth in the recent past. Now other names like Bersimis (in Quebec), Cornwall (in Ontario) and Upper Campbell Lake (in B.C.) have sprung up as the pointers to the future.

The dominance of hydroelectric generation in Canada tends to overshadow fuel-electric generation. While Quebec, Ontario and British Columbia get the bulk of their power from hydro sources, other provinces are not so fortunate. But they have the saving factor of abundant supplies of fuel — coal, and natural gas. Prince Edward Island has practically no hydropower, Nova Scotia gets a third of its power from that source. In Saskatchewan, where two $40 million lignite-fuel plants are currently projected, hydro provides only a quarter of total power production. In Alberta, the centre of Canada's great oil and natural gas industry, hydro represents half of power output.

Of the total potential hydro resources in Canada, about 11.9 million kilowatts are within economic transmission distances of the present centres of Canadian population and industry. Present power installations would bring that figure to 25 million kilowatts.

Major Untapped Stores

Then there are other major but comparatively remote hydro sources which could be brought in to meet total demand in the region of 45 million kilowatts. These include an estimated 3.2 million kilowatts on the Yukon River, 3.3 million kilowatts on Hamilton River, Labrador, and 3.4 million on Nelson River, B.C.

And even with that, the story is not finished. Canada is past the speculative stage in the production of power from nuclear plants. Her engineers and scientists are confident they are on the road to producing electric energy from nuclear sources at costs competitive with other fuels.

At Des Joachims in Ontario, the first nuclear power plant—an experimental project — is now under construction. It will be operating in 1958 according to schedule and forecasts are that Canada will be drawing energy from up to ten nuclear plants within the next ten to 15 years. Canada is one of the world's greatest producers of the raw fuel needed for nuclear power plants — uranium. It could open up new chapters of power production for her.

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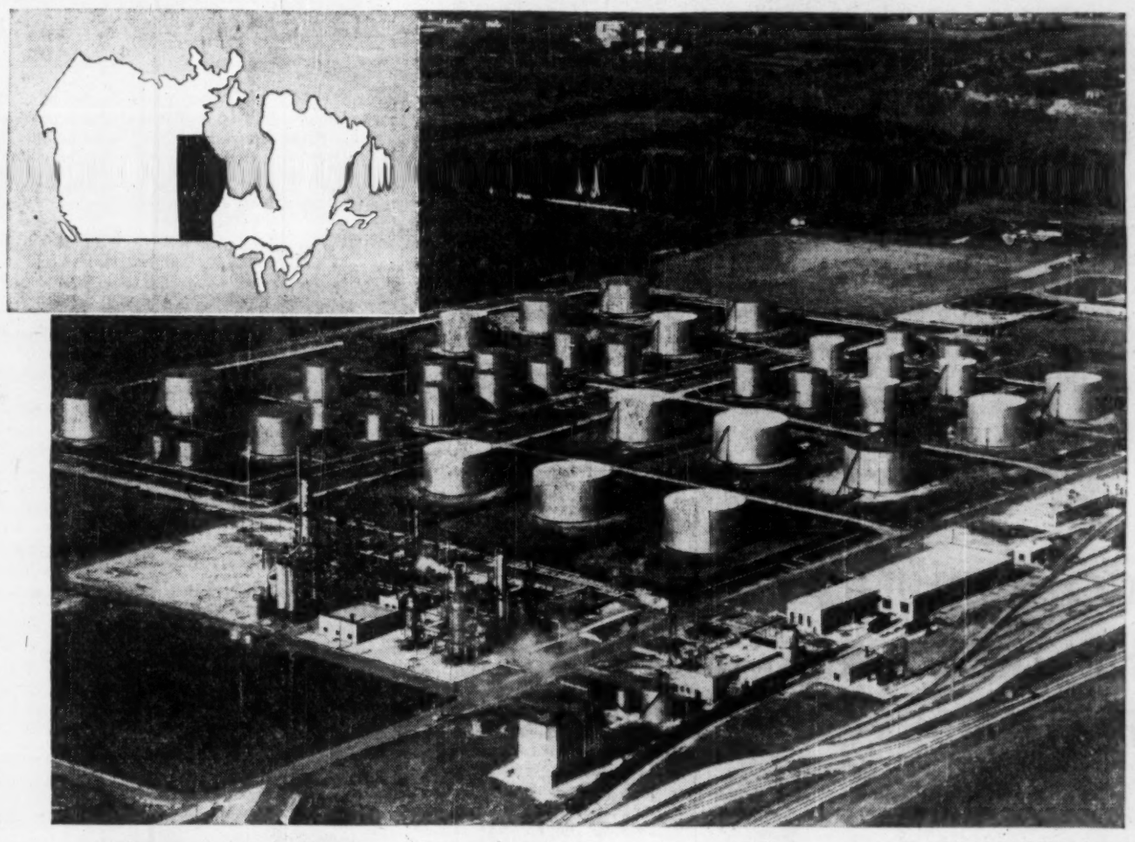
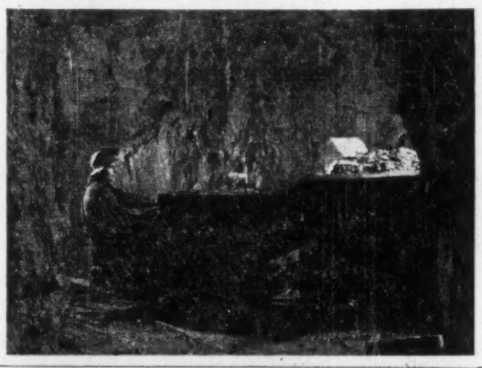
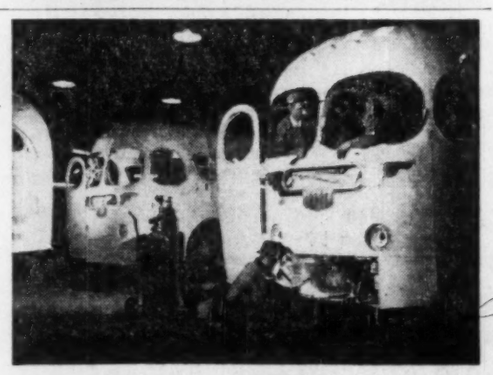


One of the modern catalytic oil refinery plants located near Winnipeg, Manitoba. Value of petroleum products manufactured in Manitoba exceeds 27 million dollars annually.



Copper, zinc, gold, silver, selenium, tellurium and cadmium are products of this busy mine at Flin Flon in Northern Manitoba. It has already produced more than 400 million dollars' worth of metals and is the largest single producer of copper in the province.

Rolled steel products from this Manitoba mill supply the Western Canadian market. Manitoba steel industries fabricate many types of castings and structural steel products.



Buses built in Manitoba find a ready market in both Eastern and Western Canada and Europe as well. Shown are buses on a production line being fitted with component parts also manufactured or fabricated in the same plant. These include doors, windshields, sign boxes and ornamental trim.

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RETAIL TRADE

Plenty of Cash And Customers For Retail Shops

SOLID SALES opportunities are open to merchants able to adjust to Canada's current retail market revolution. The fast-growing industry, already posting sales of more than $13,000 millions a year, is wide open to new products, merchandising methods and outlets that can serve the new consumer markets that have appeared since the Second World War.

Sharp growth in population plus giant strides in industrial development and accompanying rises in wages and living standards underlie the changes. They contributed to this postwar pattern:

—Industrial development — opening up previously untapped resources in oil, steel, minerals of all kinds, timber products and power — has created jobs and wealth, attracting new population, shifting previous consumer markets northward, eastward and to the west, creating whole new towns and cities.

—The raw materials boom has meant major growth in manufacturing which has seen billions in Canadian and foreign capital pouring in to finance primary and secondary industries serving growing domestic and export markets.

—This new wealth has, in turn, resulted in higher wages, improved living standards, more leisure time, new homes, bigger families, freer spending — all contributing to fat retail business, as has a high postwar rate of family formation.

Retail Building Boom

You can see the effects at the market place. From coast to coast there are new stores selling appliances, furniture, cars, travel and entertainment services. Specialty shops have sprung up to deal profitably in fancy foods, high-price clothes and home furnishings, paintings, hobby supplies, and dozens of what were previously classed as luxury items. There has been a boom in coffee houses and restaurants, many featuring cuisines of individual foreign lands in virtually every continent.

The New Trends

The bigger market has also given a boost to volume selling with two big developments:

— Supermarkets, stocking thousands of individual items, where shoppers can do a week's buying at a time. These giant food markets range up to a square city block in size and feature self-service where the customer picks out his purchases, carries them to a central check-out counter for payment.

—Discount houses where purchasers can buy their stoves, refrigerators, television sets and other appliances in factory cartons at sharply cut prices. The outlets strip service to a minimum, passing the savings on to buyers. This has been one outgrowth of a fairly recent Federal ban on retail price setting by manufacturers.

A further development has seen the supermarket food outlet move into the new suburbs growing up around the major urban centres in the nation. There they locate on 10-60 acre sites, set out parking facilities for up to 5,000 cars and together with a host of smaller stores offering everything from shoes to gasoline, operate as one-stop shopping centres serving upwards of 50,000 persons in their market area.

The self-service feature of these new retailing complexes has turned unprecedented attention to advertising, packaging and display methods. Self-service has meant an end to personal selling techniques and the extra push a clerk can give a product. To get consumer attention, an increasing number of manufacturers are planning two-fold campaigns:

—Pre-selling through newspaper, magazine, radio, television advertising to put the product in the buyer's mind before she goes shopping.

— Point-of-sale selling where manufacturers strive for eye-catching packages and displays, special deals and other inducements to purchase.

Because the packages have to carry the extra load with self-service, special emphasis is put on their design and production by a $750 millions a year packaging industry. This has also paid off in extra sales from the growing number of "impulse buyers," who don't decide on their purchases until they get inside the store.

Another effect of the postwar retail revolution has been the emergence of a three-tiered fight for buyers dollars between downtown, midtown and suburban merchants in Canada's major urban areas. The downtown merchants, hampered by traffic-choked streets, higher overhead and growing distance from shoppers' homes, have been banding together into associations to sponsor special newspaper ads, decorations of downtown streets, and to push growing sales possibilities with a downtown office workers' market. Other methods: Home delivery, telephone ordering, shopping service by store staff.

Midtown is getting more emphasis in its traditional role as a higher price specialty shopping area where furs, various prestige labels in clothing and other gift and luxury merchandise is sold. In several cities major investment in adequate parking space has been required to make the ventures successful.

Shift to Suburbs

The suburbs are tending to take over as the main primary market place for thousands of Canadians for food and other basic goods. Situated within a short bus ride of the main residential market, the outlying stores have a tremendous advantage in convenience over their mid and downtown rivals. However, surveys indicate that downtown still gets the nod for special event purchases and higher price merchandise.

Extra leisure time for Canadians has a lot to do with the emergence of a new market symbolized by the power lawn mower, sports shirt and sun suit. Clothing stores, hardware, drug and department store operators agree that a big percentage of their business during the last five years has come from customers seeking casual clothing for off hours, home workshop and gardening tools, sun tan lotions and insect repellents and various toys and games for their non-working time.

It has also contributed to the growth of do-it-yourself equipment for the home handyman. Various kits, usually made up of tools and partially assembled products, enable the user to make his own goods to his own design. They are available for jobs as far apart as home plumbing and pottery-making.

The Long-Term Plan

Future prospects for retailing in Canada are encouraging. Economists point to facts like these:

—The backlog of unfilled demand for a tremendous range of hard goods is big. There's a good market potential ahead for most of them because sales so far have just barely managed to keep up with current demand without eating too much into replacement business or a good percentage of Canada's rural population.

—Indications are that the long-run trend in world commodity prices will be upward, important to Canada's big export trade, reflected in turn in heavy farm spending.

—The population is reasonably well balanced. Up to 1971 at least, an estimated minimum of 42% of Canada's population will be in the 15-44 years age class which comprises the bulk of the nation's labor force. (For population figures see page 21.)

—Strong demand is shaping up as a result of wartime days when the nation's birth rate soared above depression levels. Another boost will come a few years behind from the big rate days from 1948-52.

—Big construction of homes has created a huge market for consumer goods. Much of this is only partially filled so far and future construction plans are promising.

—Resource potential still looms big. Many of the major finds of the last 10-15 years have yet to be developed and provide a sort of future guarantee of growth. In addition, thousands of square miles of the country have not been explored at all for resource possibilities. This adds up to continued population growth through immigration as well as new babies and continued impressive gains in total value of production and net national income.

It all adds up to promising possibilities. For the present at least, there are good opportunities for retailers who have something new or better to offer in both staple and luxury lines. And even if the pace of business slows, there promises to be ample room for the operator who can come up with goods that can compete in terms of the economy, ease of handling, convenience, packaging and advertising that Canadians respond to.

Successful merchandising in Canada is a highly specialized business, particularly in foodstuffs, where individual products must compete in huge "supermarkets" side by side in dazzling array. This puts a premium on packaging and advertising in its various forms, but the rewards are high: some $13,000 millions in total retail sales in Canada last year.

Retail Trade In Canada

(In millions of dollars)

	1954 $	1955 (est.) $
Atlantic Provinces	1,025	1,100
Quebec	2,761	2,975
Ontario	4,593	4,993
Manitoba	660	687
Saskatchewan	755	744
Alberta	932	982
British Columbia	1,230	1,463
Canada	11,956	12,944

How the Stores Do

Store	Average Net Sales $	Average Net Profit %	Store	Average Net Sales $	Average Net Profit %
Hardware	56,710	10.45	Groceries	50,405	5.24
Family Clothing	73,601	8.85	Meat Markets	68,402	6.14
Family Shoes	56,271	10.75	Combination Groc. & Meat	84,326	4.09
Appliance, Radio	99,172	7.77	Fruit & Vegetable	54,768	5.55
Men's Clothing	68,960	10.07	Confectionery	29,946	7.48
Women's Clothing	55,179	7.95			

Figures based on 1952 census sample survey of retail stores.

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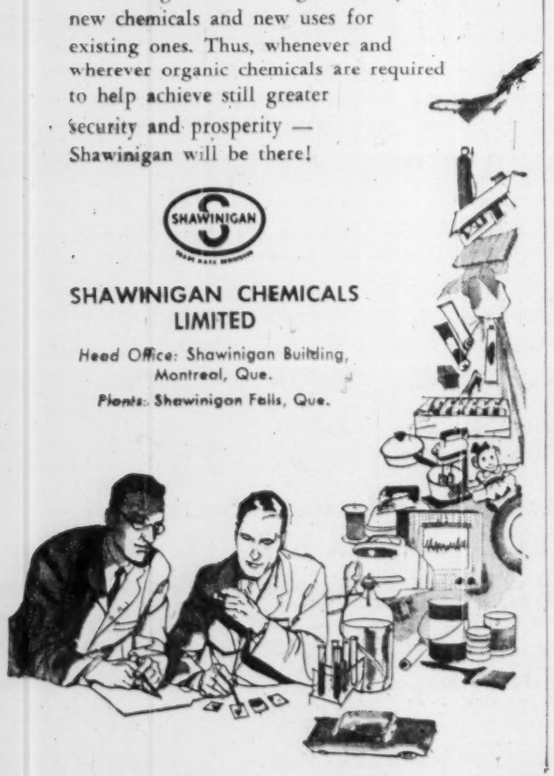

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Banks Help Guide Canada's Boom

And Offer Varied Aids to All Business

CANADA'S record-breaking economic expansion in 1955 was made possible and guided, in part at least, by the operation of the Canadian banking system.

After the 1954 slackening of the business pace — indicated by a 2% decline in gross national product — the banking system early in 1955 initiated a series of monetary moves, designed by the central bank, to affect business investment and consumer buying.

Throughout the year the banks made money more easily obtainable. As a result, loans for business growth and consumer credit helped push the demand for goods to an all-time high—and in a few product lines brought demand close to the ceiling of supply. Well aware of this as 1955 came to a close, the 10 chartered banks and the central bank had begun a cautious tightening of credit and reviewing of lending policies.

But while 1955 deserves special note for giving monetary controls their first important trial, there were other important developments in Canadian banking:

—Rapid increase of bank participation in mortgage financing;

—Sharply accelerated lending for business expansion;

—Fuller development of the Canadian money market;

— Substantial growth of chartered bank assets;

—Announcement of a proposed amalgamation of two chartered banks.

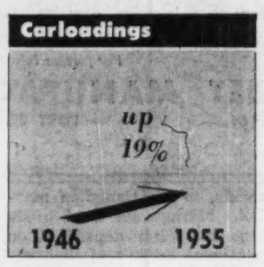
To a large extent, the growth of chartered bank assets and loans was facilitated by steps taken in 1954. That year marked the period of greatest change in Canadian banking history. Revision of the Bank Act allowed chartered banks to maintain a lower ratio of cash reserves to deposit liabilities, making many millions available for investment. Banks were also permitted for the first time to finance mortgage lending. And the establishment of a day-to-day loan market similar to the London and New York money markets encouraged business borrowing.

These changes reflect Bank of Canada policy. Headed over the past year by recently-appointed James E. Coyne, the Bank of Canada is a government-owned central bank with authority to regulate the volume of credit and currency. It is responsible for the external stability of the country's currency. And to it the government turns for impartial advice when forming financial policy.

The only subsidiary of the Bank of Canada is the 11-year-old Industrial Development Bank. It makes loans to small industries which are unable to obtain credit easily from ordinary banking services. During its last fiscal year it authorized 214 new loans to business, distributing some $12.7 millions. By the end of September 1955 loans and investments outstanding totaled $44.3 millions.

Although the central bank plays an important role in setting monetary atmosphere, the strength of the Canadian banking system is to be found in its 10 private banks operating under federal government charters renewable every 10 years. When the two of these proposing to merge do so, there will be nine banks with total assets of over 12,600 millions.

Largest of the chartered banks is the Royal Bank of Canada with assets amounting to $3,258 millions. Smallest is the two-year-old Mercantile Bank of Canada with assets of $11.5 millions. Oldest is the second largest bank, Bank of Montreal, established in 1817, now reporting assets of $2,796 millions. Newest is the Toronto-Dominion formed in 1955 when the 100-year-old Bank of



Toronto merged with the 84-year-old Dominion Bank. At the close of its fiscal year Oct. 31, 1955, its assets totaled $1,278 millions, making it fourth largest in the country.

Imperial Bank with assets of $795 millions and Barclays Bank (Canada) with assets of $42 millidns announced in the fall of 1955 their intention to amalgamate. It is expected this will be completed early this year. The new bank will be called Imperial Bank of Canada and it will bring together the existing Imperial Bank's 259 branches throughout Canada and Barclays extensive overseas connections.

While there are only 10 banks, their 4,249 branches in all parts of the country account for one of the great strengths of the Canadian banking system. Branch banking makes available the resources of a large organization to remote communities, lending risks are spread widely, investment funds are concentrated. And each bank can keep close touch with economic trends in all parts of the country through its local branches.

Although the branch system is expanding to service the needs of rapidly - growing population and new branches are opened regularly, the most important developments in 1955 were related to the extension of monetary ease.

In mid-1954, Bank Act revisions lowered the required ratio of cash to deposit liabilities enabling the chartered banks to drop from a 10% ratio to 8%. While the banks at first kept reserves around 9%, by the end of 1955 such had been the extent of monetary ease and the demand for funds that the banks lowered their ratio to 8.1% or 8.2% of deposit liabilities. This made available to the banks many millions for lending and investment.

In mid-February 1955 the Bank of Canada reduced the bank rate (minimum rate at which the central bank will lend to chartered banks or money lenders on the security of treasury bills and short-term government bonds) from 2% to 1½%. This brought the central bank rate in line with other short-term interest rates. And throughout most of the year, the Bank of Canada made possible the extension of credit by a willingness to keep the chartered banks supplied with cash.

As the pace of Canadian business accelerated rapidly, the central bank during the fall of 1955 began to reverse its easy money policy. In three moves the rate was lifted to 2%, then to 2¼% and finally in late November to 2¾%, the highest in the bank's 20-year history. By increasing the bank rate the central bank was—in view of new business records being made — encouraging the chartered banks to tighten up on loans for business expansion and consumer credit and relieve what pressure there was on their liquid assets.

The mid-1954 bank legislation also permitted the banks to begin mortgage lending under the provisions of the National Housing Act. And during 1955 the interest rate on NHA mortgages was cut from 5½% to 5%. By Oct. 31, 1955—financial year-end for most banks — mortgages outstanding held by the banks totaled $235 millions compared with $38 millions a year earlier. This extensive lending, part of which stemmed from the banks' position of greater liquidity, helped push the construction of new housing to a level estimated to be 25% higher than a year before—and to a new record.

But the greatest indicator of monetary ease is to be found in the growth of the banks' "current loans" most of which went to businesses financing new or extended operations. These loans totaled an estimated $4,875 millions by the end of 1955, almost 29% greater than a year earlier.

By the end of 1955, the new Canadian day-to-day loan market had had its first full year of operation. To facilitate day-to-day borrowing by providing collateral, the federal government increased the treasury bill issue by more than 50% from June 1954 to the end of 1955. Of the new total of $1,055 millions of treasury bills, the public increased holdings to 25%, dealers 10%, chartered banks 39%, with the remaining 26% held by the Bank of Canada.

Volume of day-to-day loans has ranged from $21 millions to $135 millions. Throughout the year, the volume of loans outstanding has grown steadily, aided in part by the prevailing easy-money policy. It has broadened the securities market and increased the Bank of Canada's influence on short-term interest rates and credit generally.

During the past year, which started after a pause in year-to-year regular economic expansion and went on to forge new records in many industries, chartered bank assets increased over 12% to reach a total of $12,600 millions.

Six of Canada's chartered banks maintained a total of 123 branches in other countries by the end of 1955. As well as serving clients through such branches abroad, Canadian banks do business in almost every country through correspondent banks and individual agents.

The recently established Mercantile Bank of Canada — controlled by Nationale Handelsbank N. V. of Amsterdam —as well as being an addition in the regular banking field, specializes in offering services to businessmen in Europe and the Far East who are interested in extending operations into Canada. This bank also places emphasis on offering help to Canadian firms with interests in Far Eastern countries.

Almost all of the longer-established banks maintain personnel to look after the foreign businessman who wants, for example, to export to Canada or establish a branch plant. Usually these are called business development departments. Services offered are extensive. These go far beyond arranging credit, necessary documents and looking after details of payment.

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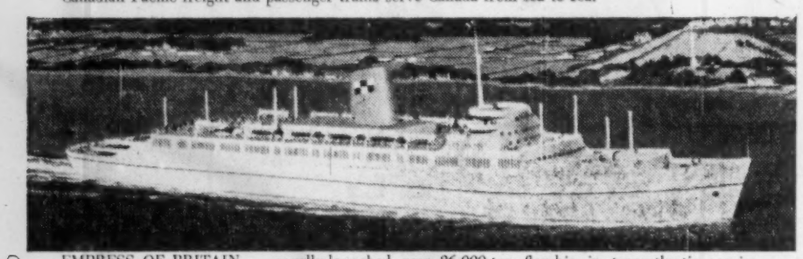

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Pulp, Paper Output at $1,200 Millions

And Millions Of Bush Acres Yet Untapped

THE APPARENT insatiable demand for the products wrested from Canada's 850 million acres of forest land is resulting in wave after wave of expansion in the pulp and paper industry.

With total production running at an annual rate of 10 million tons worth some $1,200 millions, Canadian pulp and paper companies are striving for even greater utilization of forest reserves.

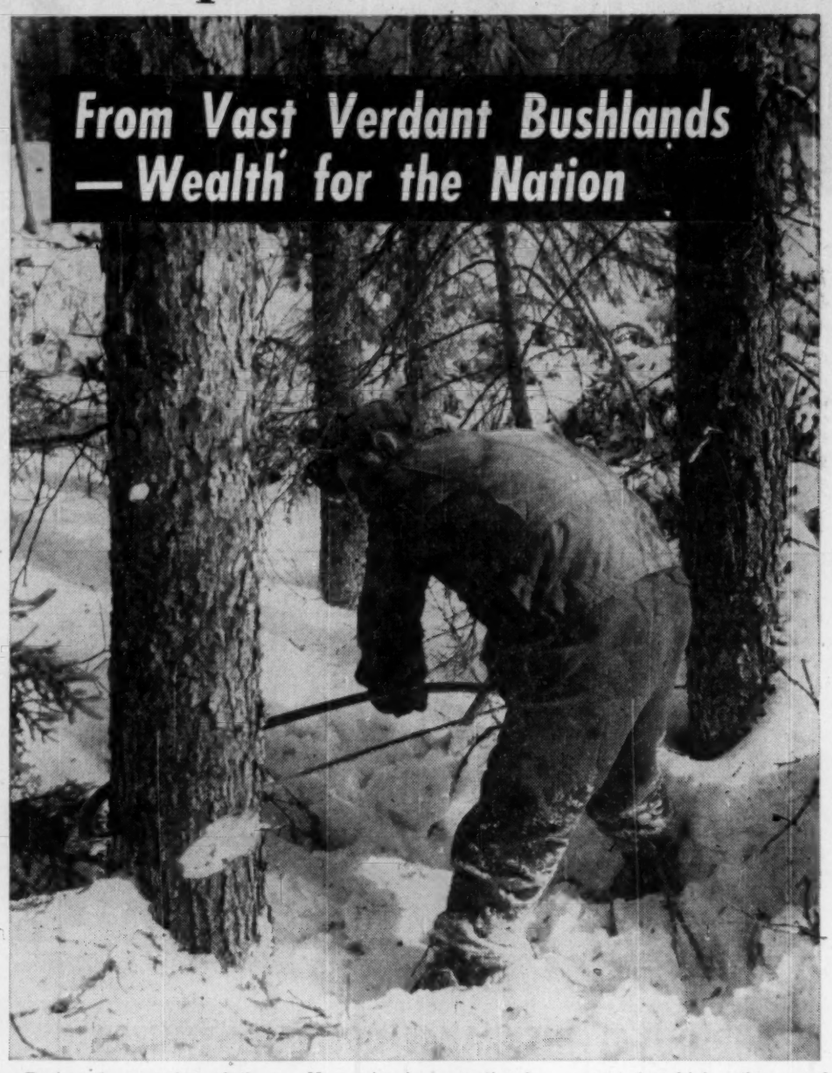
So far, it is estimated that only half is being used of the 320 million acres of accessible forest lands. And if the remaining economic limits were developed, authorities feel that output of forest products could be doubled.

That is the room that Canada's leading industry in production value, wages paid and capital investment has for growth. And that is its eventual goal — doubling present output and maintaining the size of the industry at the higher level in perpetuity. It is a process of harvesting the forest crop to the best advantage for Canada and the world.

Behind this future of expansion is a list of world conditions that indicate expanding demand for wood products like newsprint, paperboard, kraft paper. One of the factors behind the demand is the continual growth in world population. Another—spreading of education into formerly illiterate areas through efforts of such international self-help agencies as UNESCO.

More Exports to Europe

Scandinavia — major source of pulp for Europe — is unable to increase pulp output because of limited forest areas. This factor has been behind major increases in exports to countries other than the U. S. by Canadian mills. This pattern has been developing for about two years as currency difficulties ease.



Projected expansion of the Canadian industry to meet growing world and domestic demand is estimated to cost some $1,500 millions over the next three years. By far the bulk of this expansion will occur in newsprint which even now is in short supply with no indications of enough paper to meet demand expected until 1957 or 1958.

Newsprint, in accounting for 60% of pulp output, is the backbone of the forest industry. Production has been increasing at the rate of about 4% a year in recent years with 1955 output about 6,180,000 tons. This year production will hit an estimated 6,400,000 tons, more than estimated capacity of 6,220,000 tons.

Newsprint mills consistently operated at higher than rated capacity in 1955, largely as a result of improvements to existing machines. From 1955 to 1958, industry authorities estimate that capacity in Canada will rise from 6,065,000 tons to 6,910,000 tons.

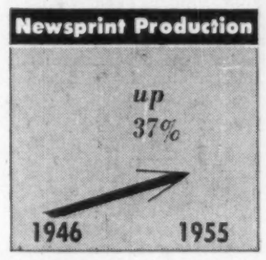
The improvement will result from speed-up projects across the nation, new machines and possible new mills in Ontario, Quebec, British Columbia. The west coast province — British Columbia — alone projects expenditures of $216 millions for new paper mills.

Thus the prospect for newsprint consumers is continued shortages well into 1956 when some new supplies will become available. With newspapers in North America enjoying record advertising revenues and turning out giant-size papers, re-opening of markets in Europe (particularly the United Kingdom) Canadian mills have been able to undertake these expansion programs.

Since the low of 208,000 tons or 4% of total shipments in 1950, Canadian newsprint shipped overseas has climbed to an expected 750,000 tons expected for 1956. More than half of this 500,000 ton rise is going to the United Kingdom. Demand from other markets is also rising.

Although newsprint and pulp enjoy free movement into other countries because of a lack of tariffs, fine paper, paperboard and wrapping paper are restricted, because of tariffs, to the Canadian market. Markets for these products are solely dependent on continual growth of domestic industry and business and development of new uses.

Use of paper products in packaging has ballooned into a major industry in Canada in recent years and the pulp and paper industry continues to seek new and better ways of using wood. The industry maintains a Research Institute which works on a budget of $1 million annually. In addition, individual firms have extensive programs under way that are aimed at using more of the log and broadening and diversifying operations.

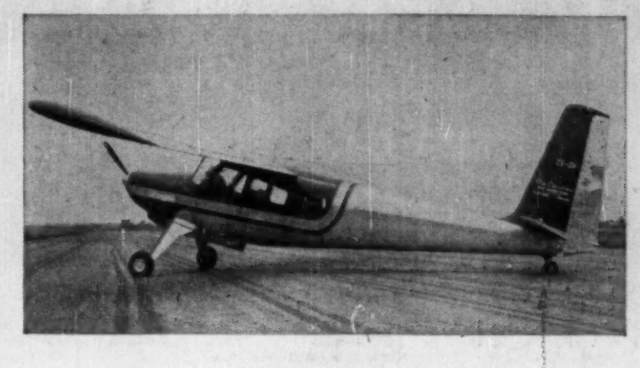


Centralized research through the Institute includes such projects as possible participation in an atomic-reactor project which would seek and test applications of atomics to the industry. Every phase of forest industry operations is being examined from wood grinding to noise levels of machines.

And, the companies maintain extensive staffs to work in forests and devise means of protecting and extending wood growth. The Canadian pulp and paper industry uses 22% of all the wood annually taken from forests. Fire, insects and decay take 19%. It is here that the industry is trying to save and perpetuate its source of raw material.

Pulp, Paper Output

	Production ('000 tons) 1955 (est.)	% Change from '54	Exports ('000 tons) 1955 (est.)	% Change from '54
TOTAL WOOD PULP	9,914	+4	2,355	+8
Diss. & Spec. Chem.	415	—9	360	—8
Bleach. Sulphite	640	+21	455	+37
Unbleached	1,726	+8	360	+2
Bleached Sulphate	754	+4	658	+7
Unbleached Sulphate	669	+5	215	+9
Other Chemical	200	+21	41	+8
Groundwood	5,410	+2	254	+9
NEWSPRINT	6,180	+3	5,750	+4
Container Board	385	+7	21	+50
Boxboard	393	+4	28	—
TOTAL PAPERBOARD	778	+5	49	+17
Fine Paper	214	+4	13.5	+5
Coated Paper	26	+4	1,200	+78
Other Printing	77	+22	49	+40
Special Papers	111	+9	5,300	+40
Wrapping Paper	255	+4	13.5	+6



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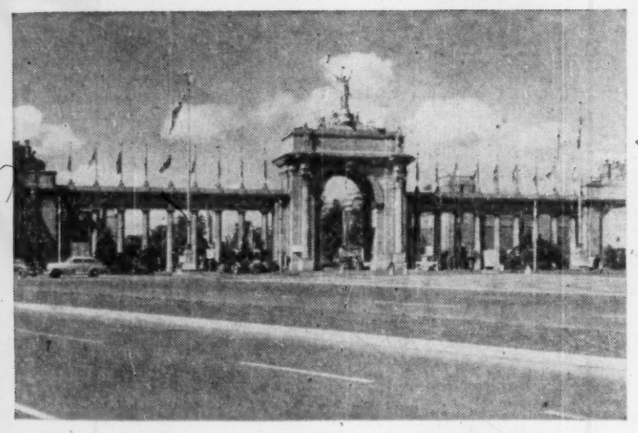

Princes' Gate entrance to Canadian National Exhibition.

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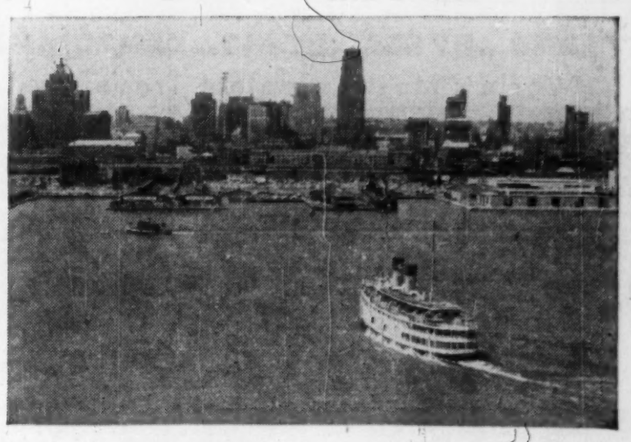

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- Manufacturers' Association
- Board of Trade
- Convention and Tourist Association

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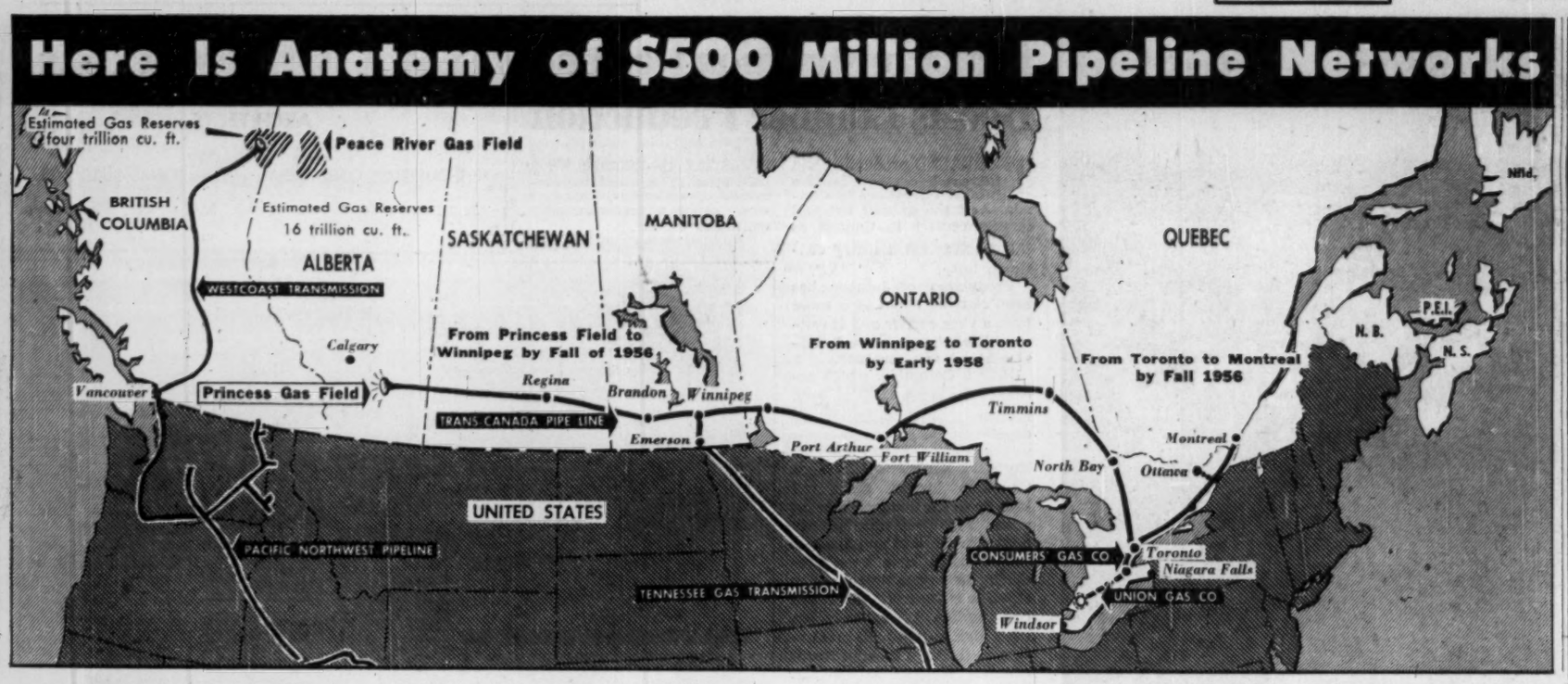

1956 Is Big Year In Natural Gas

$500 Million Construction Waits Market Decisions

THE NEW oil era that was born in Alberta in November, 1947, with discovery of the first oil well in the Leduc field, also ushered in a new era for natural gas.

The more than $2,000 millions which has been spent to date in the search and development of oil in Canada's four western provinces has indirectly resulted in proving up well over 16 trillion cubic feet of gas.

But where trans-continental pipelines have been built to provide sizeable new market outlets for Canada's oil, up to date no major pipelines have been constructed to enable shut-in gas to tap big waiting markets in Canada and the U. S.

The year 1956 could be the most eventful in Canada's natural gas history. Next spring could see construction start on two major gas pipeline projects. Together the jobs could add up to a total expenditure close to $500 millions.

The pipelines provide access to large markets and free gas for the big battle in the Canadian energy market.

One pipeline project — the 670-mile line of Westcoast Transmission Co — will pipe gas from the Peace River field of Northern British Columbia and Alberta down through B. C. to a point on the B. C.-Washington (U. S.) border. To be operating by fall of 1957 the line will transport 300 million cu. ft. of gas daily for sale in the U. S. Pacific Northwest States; 50-100 million cu. ft. for sale in B. C. The ready availability of this new fuel at very competitive prices is expected to figure prominently in the new industrial boom now getting into high gear in Canada's Pacific province.

A still larger gas pipeline project is the ambitious plan to transport Alberta gas eastward via an all-Canadian route to Ontario and Quebec. This would entail one of the biggest pipeline engineering jobs in history — construction of a $350-million 2,250-mile "big inch" pipeline capable of transporting up to 600 million cu. ft. of gas daily.

The last major barrier to be cleared — and it is a formidable one — is the U. S. Federal Power Commission approval for certain gas export-import provisions inherent in the over-all pipeline program. Without this both projects, as now conceived, would fail.

Western Plan Approved

After hearings that stretched out for more than two years the FPC has finally approved the export of Peace River gas into the U. S. — the framework of the Westcoast Transmission project. Financing plans are now being finalized and full construction work on this $150-million project will get under way this spring with completion of pipeline and first movement of gas scheduled for late 1957.

But the situation is very different in the case of the Trans-Canada pipeline project. Vital parts of this program are export of 200 million cu. ft. of Canadian gas daily into Minnesota and import of 90 million cu. ft. of U. S. gas daily in the early years of pipeline operation into Ontario at a Niagara River crossing point. Without the FPC approval for both of these measures the whole Trans-Canada plan — as presently conceived—would collapse.

Although strong opposition is lining up in the U. S., particularly against imported Canadian gas into American markets, this is not seen defeating the whole Trans-Canada project. If the pipeline hearings, expected to get under way later this month, give evidence of carrying on many months with the final issue very much in doubt there is strong likelihood that a Crown company will be formed to build the entire trans-Canada line itself. Already a Crown company is being formed to finance and operate the difficult Manitoba-to-Northern Ontario section of the line. Here briefly is the skeleton plan of the big $350-million Trans-Canada project — probably the most elaborately integrated gas pipeline in history.

—A 2,250-mile big inch pipeline will transport gas from western gas fields across the prairies to Winnipeg, then north of the Great Lakes to a point in Northern Ontario.

—A branch line from Winnipeg would run south to Emerson, Manitoba, on the international border. This would feed gas to the proposed 1,250-mile pipeline of Tennessee Gas Transmission Corp. in the U. S.

—The Niagara-Toronto section completed in late 1954 would be extended to Montreal.

It is planned to complete construction of the entire system in two — or at most three — construction seasons. For 1956 plans are to build a 700-mile-long section from Eastern Alberta to Winnipeg and the 325-mile Toronto - Montreal section.

In 1957 the second major section — from Eastern Manitoba to Ontario — would be completed.

The Alberta Petroleum & Natural Gas Conservation Board has already granted Trans-Canada Pipe Line Co. privilege to export up to 620 million cu. ft. daily out of the province and has earmarked approximately 4.35 trillion cubic feet of gas to serve these potential markets in Eastern Canada and the United States.

Already Trans - Canada has signed contracts with gas producers in Alberta covering some 80% of its natural gas requirements and expects to sign up the remaining supplies over the next few weeks. Agreements provide contract quantities of gas which assures the pipe line of 437 million cu. ft. of gas per day.

So hopeful are Trans-Canada Pipe Line officials of gaining the FPC's approval by next summer that they have already contracted for necessary pipe for both 1956 phases of the job. On the other hand some government pipeline officials look for strong opposition from coal, railway and rival gas pipe line companies in the U. S. to prolong the FPC hearings indefinitely. At the same time there is a strong feeling among certain Ontario Government and gas authorities that an alternative pipeline proposal should be planned now so that it can be put into action quickly in the event the FPC hearings drag out.

The popular alternative plan with many is that a Crown company should build the entire pipeline — right from Alberta to Ontario. In this way the whole pipeline program could be removed from the FPC's life and death grasp. If the Washington approval eventually came, it could fit in.

Washington's approval of large scale imports of Peace River natural gas into the U. S. Pacific northwest will have far reaching implications for Canada.

Impetus For Growth

It has set in motion a development program in the Peace River country of B. C. and Alberta that in time will not only transform the whole economic picture of the northeastern section of B. C. but will exert a profound impact on the whole B. C. economy.

An original proposal to serve the U. S. Pacific Northwest market entirely by Canadian gas from the Peace River area was turned down last June after hearings that stretched a record two years. The big objection cited by the Federal Power Commission — it was not advisable to have a major U. S. market area solely dependent for its gas on a foreign source of supply.

In the major revamping job Pacific Northwest Pipe Lines of Houston, Texas—the company which won FPC approval to serve the market with gas from the San Jaun area of New Mexico — and West Coast Transmission Co. officials came up with an ambitious new proposal: to serve the market with gas from both sources. This is the skeleton of the deal that has at last won for Canadian gas entrance into the big U. S. market. The assured construction of the $150 million, 650-mile big inch line of West Coast Transmission from the Peace River field down through B. C. to the international border will administer another major forward push to the whole B. C. economy. With an assured gas market there will be a second wave of drilling in the Peace River field — and beyond—that is estimated to run to some $50 millions over the next two or three years.

Movement of some 300 million — later up to 650 million cu. ft. of gas daily out of the gas fields will mean an establishment of gas processing plants in the area and recovery of large quantities of sulphur and residue hydrocarbons. It could in time lead to establishment of petrochemical plants on route of pipeline for production of a broad list of chemicals based on some important hydrocarbon "building blocks" such as ethane, methane, etc.

As well as the main line through the province $50 millions in gas distribution systems will also be built in B. C. (an estimated $25 millions on a system in the lower mainland area and another $25 millions on a distribution system in the interior).

While Pacific-Northwest Pipe Line will import 300 million cu. ft. of Peace River gas daily at the border it will also export up to 12 million cu. ft. of gas daily back for use in Vancouver until Westcoast Transmission facilities are ready by fall of 1957.

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'New' Air Industry Forges Ahead

Major Gains Made in Employment, Value of Production

CANADA has grown up with the air. Through the development of the vast lands to the north the aircraft has been not only the accepted but in many cases the necessary medium of travel.

But while Canadians have been active flyers as long as aeroplanes have existed, they are still relatively young in the field of major aircraft production.

The war brought rapid growth to a tiny, struggling industry. Peace nearly brought its end. But it continued operating, turning out a few planes here and there until the rapidly expanding Canadian economy and defense needs swept it back into action.

In 1951 the industry trailed low with 40th place in terms of sales. By 1952 it moved up to 16th place. Last year it advanced to 9th and is still moving ahead.

In terms of national industrial employment it holds third place. Aircraft production is in the hands of a few major producers served by a network of many hundreds of smaller subcontractors.

Here is a look at the major companies:

Avro Aircraft Ltd. This company is in the midst of a $5-million expansion program at its Malton factories outside Toronto, which will accommodate existing and projected undertakings.

Avro Aircraft, at the present time, is the only company in Canada that designs, develops and produces high performance military jet aircraft, and is a member of the **A. V. Roe Canada Ltd.** group of companies.

Another member of the group is: **Orenda Engines Ltd.** This company has one new engine under development that many observers believe will be a world leader in the coming years of supersonic flight.

A third member of the Hawker Siddeley team in Canada is **Canadian Steel Improvements Ltd.** It is the only complete Canadian producer of the most exacting forged components used in Canadian industry today — compressor and turbine blades for gas turbine engines.

Canadian Car & Foundry Co., now a subsidiary of A. V. Roe Canada Ltd. The aircraft division of this company, at Fort William, Ont., consists of some 700,000 sq. ft. of manufacturing space and has a complete range of aircraft fabrication equipment. During the war it produced hundreds of operational aircraft. When the current defence build-up began, it re-entered the aircraft production field.

Since then 555 Harvard aircraft and 125 T-34 aircraft have been produced for the R.C.A.F. and U. S. Air Force. At present the aircraft division is working on fabrication of Grumman CS2F-1 wings and nacelles and Otter wings and empennages on a sub-contract basis from De Havilland Aircraft of Canada Limited.

Canadair Ltd. This firm has its factory at Cartierville outside Montreal. There Sabres and T-33s are built under license for the RCAF and NATO air forces.

At the same time Canadair continues work on the CL 28, the largest aircraft ever built in Canada. This is a maritime reconnaissance version of Britain's Bristol Britannia airliner. It is being designed to carry all the latest antisubmarine location devices.

Bristol Aeroplane Company of Canada. This subsidiary of Bristol Aeroplane of England is fast taking a leading part in the Canadian aviation field.

It maintains engine maintenance plants in Montreal, Winnipeg and Vancouver. As well it has taken over production facilities of MacDonald Brothers in Winnipeg where it is preparing to manufacture British-designed helicopters when sufficient demand makes it practical.

De Havilland Aircraft of Canada Ltd. The factory at Downsview, outside Toronto, was completely closed for three months by a strike last year. By a process of speeding up production all along the line, the company now reports, it hopes to regain its delivery schedules lost during the strike by the end of this year.

Deliveries of the larger Otter to the U. S. Army were maintained on schedule at all times except during the strike.

Delivery of light Chipmunk Trainers for the RCAF began again in November.

Deliveries of Grumman CS2F-1 which de Havilland Canada are preparing to build for the Royal Canadian Navy are expected to commence later this year.

Rolls-Royce of Canada Ltd. Widening activities in North America associated with sales of the Vickers Viscount have been an important part of the work undertaken by this company. Headquarters are in Montreal.

Canadian Pratt & Whitney Aircraft Ltd. Specifically concerned with the manufacturing and overhaul of aircraft engines, this Montreal company may soon begin production of helicopters in Canada.

It is licensed to build Sikorsky helicopters here. At present it is expected the large S-58 will be the one produced.

Canadian Pratt & Whitney Aircraft is at present producing both Wright Cyclone and P & W Wasp engines.

Fleet Manufacturing Ltd. is now offering a four-place airplane, the "Courier," to commercial and military buyers throughout the Commonwealth. This firm also is licensed to produce the Doman helicopter, through a joint subsidiary, Doman-Fleet Helicopters Ltd.

In conjunction with the U. S.'s Helio Aircraft Corp., the first six "Couriers" were built in Fleet's Fort Erie, Ont., plant for distribution in the U. S. and Canada. The firm says the plant is well suited to operation in rugged country and on short, rough fields.

Peak Construction Demand Boosts Lumber Production

INCREASED production and increased demand feature lumber operations in Canada. And the greater demand largely centres in Canada as the construction industry continues busy.

Production of lumber has been running about 10% more than a year earlier and is estimated will reach some 8 million board feet for 1955.

British Columbia, which accounts for some 60% of total lumber production, is largely dependent on export markets in the United States and the United Kingdom. Eastern Canadian lumber mills sell heavily to the domestic market which is concentrated in Southern Ontario and Quebec.

B. C. mills have been producing at a greater rate than sales, it is reported. Although consumption of lumber has been high in the U. S., production on the west coast of North America has increased steadily. This resulted in an easing in demand for Canadian lumber in the largest market in the world.

Simultaneously, buying in the United Kingdom fell off because of tighter money policies and heavy purchases of Baltic lumber. This trend was also true in other sterling markets.

The weakness in two markets was emphasized by rising ocean freight rates. Since mid-1955 water rates have been increasing on both the Atlantic and Pacific coasts.

Freight is a more important factor in Canada's lumber export business than in the case of competitors. Freight is about 15% of delivered price in trade between the Baltic and United Kingdom while between British Columbia and the U. K. freight is about 40%.

However, British Columbia lumber firms have undertaken a concerted drive for a larger share of the U. K. market. They are aiming to increase the amount of wood used in U. K. houses from the present 2,000 fbm average closer to the 10,000 fbm in the average Canadian dwelling.

Strong efforts continue in attempting to improve wood utilization. The trend to integrated operations which cover every aspect of forest industry continues strong.

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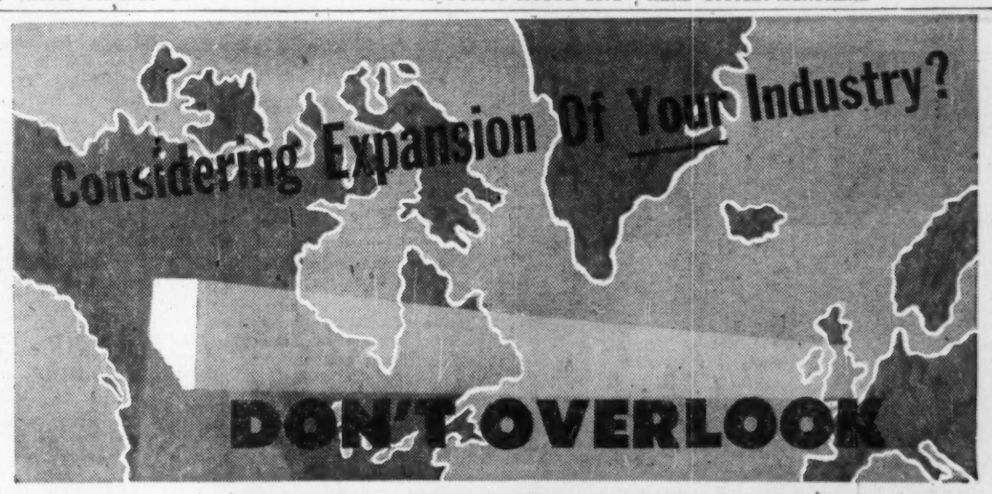

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GOVERNMENT OF THE PROVINCE OF Alberta

Department of Economic Affairs

Hon. A. Russell Patrick, Minister
Ralph R. Moore, Deputy Minister

New Capital Continues To Flow Into Canada

Direct Foreign Investment Helps Right Trade Deficit

DURING this time of quickening economic expansion, Canadian industry and Canadian consumers are buying ever-larger amounts of goods and services from other countries. Since economic growth in Canada right now is hinged to selling more abroad, this means Canadian exports are rising at the same time. But the net result is, traditionally, a growing import surplus.

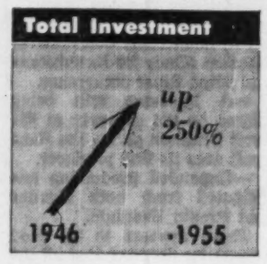
This is what took place throughout 1955, a year when Canadian business and industry forged records. During the first three quarters when both imports and exports were running at record levels, there was a current account deficit of $406 millions, 17% greater than the deficit in the same months a year earlier.

But there was no difficulty financing this deficit. Capital from abroad continued its heavy direct investment in Canada. This and other types of capital inflow offset the surplus of imports over exports and kept the Canadian dollar during the first nine months of 1955 at a premium ranging up to 4% over the U. S. dollar. (By the end of the year the Canadian dollar had returned to par with the U. S.).

In previous years capital inflow was made up of two main types: direct investment in such items as plant and equipment; and foreign buying of Canadian securities.

During 1955 direct investment continued close to the high rate of 1954 as non-Canadian investors expanded business activities in this country. However, throughout 1955 there was a reversal of the trend toward buying increasing numbers of Canadian securities. It is likely final figures for the year will show a shrinking of foreign holdings of Canadian securities. Taking the place of this capital account item were capital funds returning from international money markets where interest rates had been attractive in the early part of the year.

Net direct investment during 1955 is expected to be in the neighborhood of that in the preceding year although perhaps somewhat lower than the 1954 total of $376 millions. This new investment by non-Canadians in developing Canada's resources and manufacturing industries does not include the $500 million investment usually made each year from the retained earnings of



foreign-owned businesses in Canada.

Foreign investors reduced holdings of Canadian securities during the first three quarters of the year by some $72 millions (net). In the same period in 1954 investors from abroad added $192 millions (net) of Canadian securities to their portfolios. Although there are no official figures for the last quarter yet, it is believed foreign investors are starting to expand Canadian holdings again.

Why The Change

Two major factors account for this earlier decline in bond-and-stock buying: with a trend to lower yields on Canadian securities, money could be invested more profitably elsewhere; and there were no important new issues of Canadian securities offered in markets outside Canada. With other national economies operating at full-tilt pace and doing so somewhat earlier than the Canadian, foreign funds could find profitable outlets closer to their home base through the early part of 1955.

With over 4,250 firms, branches or subsidiaries of foreign corporations, it is obvious Canadians welcome capital that will help them develop natural resources and industrial strength. And there are still tremendous opportunities in both of these areas that will require capital inflow over an indefinite period, Canadians point out to potential investors.

By the end of 1953—latest official figures—the value of foreign investment in Canada exceeded $11,424 millions. This has increased rapidly year by year since 1945 when the total was $7,092 millions. Preliminary estimates of the 1954 total of foreign investment in Canada set it at $12,300 millions. It is also estimated that by the end of 1955 total foreign investment was almost double what it was 10 years earlier.

Big U. S. Stake

These are but examples of profitable investment outlets which have been attracting foreign dollars at the rate of $900 million a year for the last several years. Biggest investor for several decades has been the U. S. Book value of U. S. investments in Canada stood at an estimated $9,547 millions as at the end of 1954. This is about 78% of all foreign investment. At the same time, the United Kingdom and many European countries are finding Canada an increasingly attractive source of investment opportunities.

Approximately $5,700 million or over 60% of all U. S. investment in this country is in the form of direct investment in branch plants, subsidiaries and product outlets. This had increased—including the growth in book value of existing assets—by $520 millions from 1953 to 1954.

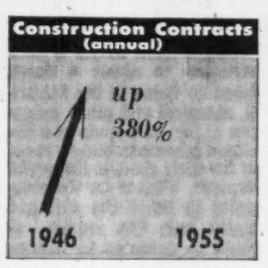
United States citizens and corporations also held by the end of 1954 some $3,547 millions of Canadian government and municipal bonds and other portfolio investments, as well as another $300 millions in miscellaneous assets.

Exploration and development of Canadian oil and minerals has long been one of the most attractive activities to American capital. By the end of 1953, total U. S. investment in all types of petroleum activities from exploration to refining to marketing amounted to $1,144 millions.

In the period following 1953, preliminary figures indicate petroleum and mining development is still the most attractive investment outlet for incoming foreign funds. During the first three quarters of 1955 petroleum and mining accounted for 80% of the net inflow. Manufacturing took a further 10% while the remainder went into real estate and merchandising. Some 75% of this net inflow was from the U. S.; 18% from the U. K.; 7% from other countries.

Another feature of U. S. investment in Canada is the organization of investment companies formed to buy and hold, on behalf of U. S. shareholders, Canadian securities, primarily common stock. During 1954 new purchases of stocks through these investment funds amounted to $150 millions, and smaller additions to this total were made in 1955.

Although the size of U. S. investments tends to dwarf



capital inflow from other countries, the United Kingdom and European nations have been adding to their Canadian holdings regularly. The U. K. has invested an average of over $100 millions a year for the last five years. This is a reversal of the wartime and immediate postwar period when the U. K. was withdrawing investments. Total book value of U. K. investment in Canada by the end of 1954 is estimated to be $1,125 millions.

Much of this upsurge in U. K. investment is due to new interest on the part of British organizations in investing directly in Canadian business. This contrasts sharply with the years both before and after the Second World War when the emphasis was on holdings of securities.

British capital has been increasingly interested in Canadian manufacturing enterprises — particularly chemical, paper and metal products, and aircraft industries. British corporations and other investors have also been paying more attention to investment opportunities in finance, merchandising and construction.

While some British investments represent multimillion-dollar entries into the Canadian economy, many reflect the growing trend of small and moderate sized companies abroad to extend operations to this country. Here are examples of recent British investments in various industries in Canada:

—**Industrial investment:** Locana Corp., backed by British investment trusts, purchased a Canadian sand and gravel company; A. V. Roe bought Canadian Car & Foundry; Slough Estates is buying and building factories for rental; British General Electric, English Electric and other electrical companies have bought into existing Canadian enterprises.

—**Manufacturing:** Courtaulds Ltd. is expanding its viscose plant at Cornwall; Canadian Industries Ltd., controlled by Imperial Chemical Industries, has built a large new textile fibre plant; Francis Shaw Co. built a plant to manufacture rubber, hydraulic and plastics machinery; Williams & Williams opened, then recently expanded, a building products firm; Yardley opened a new cosmetics plant; Aquascutum expanded production facilities in its Montreal factory.

—**Natural resources:** A wide variety of British backers have formed corporations to explore for and develop minerals and carry on related operations. Among these are British Newfoundland Corp., Canadera Ltd., Triarch Corp., United Atlantic Securities — one of whose aims is to help finance industries planning to set up branches in Canada.

European Interests Grow

Over the past decade there has been a steady inflow of investment money to Canada from countries other than the U. S. and the U. K. These are almost entirely European nations and in recent years their emphasis has been on direct investment in Canadian enterprises rather than on purchases of securities.

Since the end of the war in 1945, book value of holdings of these "other" countries has grown from $352 millions to an estimated $660 millions at the close of 1954. Ten years ago one third of all holdings were in securities; today one fifth is in securities with the rest invested directly in business. More and more European money has poured into Canadian enterprises.

Where Money From . . .

(all figures millions of dollars)

	1945	1951	1952	1953	1954*
U. K.	1,750	1,776	1,884	2,005	2,125
U. S.	4,990	7,259	8,002	8,840	9,547
Other	352	436	498	579	660
Total	7,092	9,471	10,384	11,424	12,332

*Approximate only.

Where It Goes . . .

	ALL	U. S.	U. K.	OTHER
Government Securities	2,028	1,870	150	67
Railways	1,429	620	702	98
Other Public Utilities	639	588	57	34
Manufacturing	3,541	3,187	612	97
Mining and Smelting	1,076	1,316	63	44
Merchandising	447	391	122	20
Financial Institutions	644	481	167	120
Other Enterprises	133	131	16	5
Miscellaneous Assets	447	256	116	94
	10,384	8,840	2,005	579

(Figures for 1953)

Its Importance

	Percentage of industry owned by non-residents			
	1939 %	1948 %	1951 %	1952 %
Manufacturing	42	42	44	46
Mining Smelting (including petroleum development)	40	42	59	59
Steam Railways	57	43	39	37
Other Utilities	27	21	20	20
Total (adding merchandising)	36	33	32	33

(Data: DBS)

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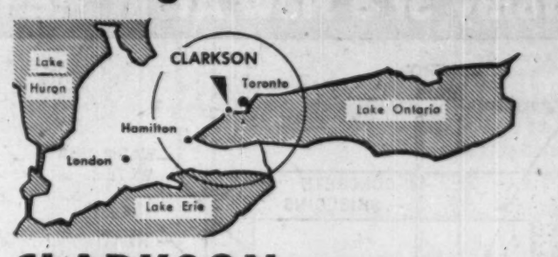

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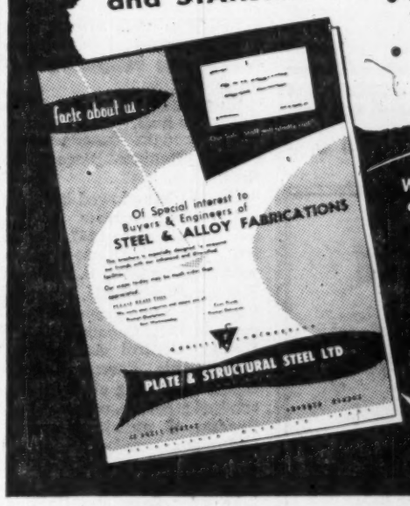

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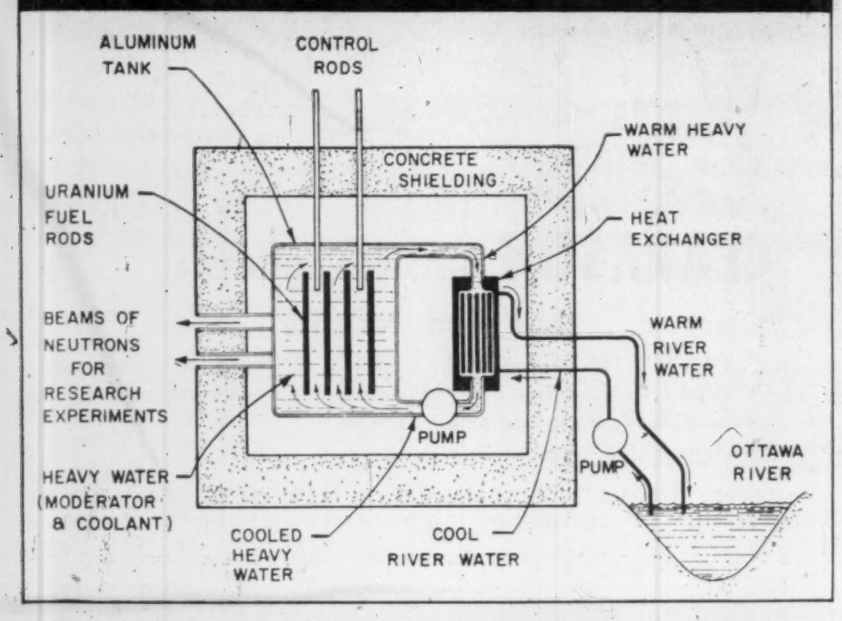
The Anatomy of a New Atom Plant



A giant nuclear reactor with a power output of 200,000 kilowatts will go into operation this year at Canada's atomic energy centre, Chalk River, Ont. The reactor, to be used for fundamental research and engineering studies, has eight 17-ton heat exchangers, a 225-ton rod removal flask, and has a 9½-ft. outer shell of concrete, 50% denser than normal. This schematic diagram shows how the reactor will operate.

Gains In Atomic Know-How

New, Advanced Nuclear Reactor Under Construction

CANADA today stands in line as one of the world's four atomic energy powers. She has the natural resources which could quickly make her the world's greatest producer of atomic raw material—uranium. Her scientists and atomic installations have kept abreast of the latest developments in the field of nuclear physics. And atomic experience and know-how is spreading rapidly through her public and private industry.

Since the end of the war, Canada has concentrated almost exclusively on the peaceful uses of atomic energy. The radioactive cobalt-60, in the use of which she pioneered and which she produces in relative quantity, is restoring the health of patients in more than 30 hospitals throughout the world. Radioactive isotopes go out to scores of different industries in various countries to speed processes and improve production.

And within 10 years, probably sooner than expected, her atomic power units may be helping to meet the mounting power needs of her growing industry and making possible full development of a remote but potentially rich northland.

The Canadian atomic effort has been geared intensively in recent years to the problem of meeting those growing power needs. If the present rate of growth is maintained, electric power consumption in Canada will quadruple over the next quarter century, swallowing the advantages which she at present enjoys of low-cost power production.

Will atomic energy provide the solution? The Government is spending millions of dollars and some of the best brains available are now working to prove that it will.

It is estimated that the cost of producing electricity from a large nuclear power station is at present between 10 and 13 mills per kwh. The future course of atomic power in Canada both in terms of time (how soon it will be used commercially) and of geography (where it will first come into use) will depend largely upon how fast scientists and engineers can drive down the cost relative to other sources of power. To be competitive, atomic power would have to come down to 6 mills in Southern Ontario, 5 mills in Quebec and British Columbia and 4 mills in the Western and Central Prairies.

But availability will enter into the picture too. Certain provinces, notably Ontario, face power shortages, in less than 10 years at the present rate of growth. In large areas of the north, it's believed, nuclear power would be used even at 20 mills per kwh if available.

What is the eventual target price? Believed to be around 4 mills per kwh from large plants but only after more than 10 years of further research.

At present the atomic energy effort is wholly government controlled. Uranium from private-owned mines has to be sold through the government agency, Eldorado Mining & Refining Ltd. And the government-sponsored Atomic Energy of Canada Ltd. runs the country's main atomic research centre.

50-Year Development

Canada's acquaintance with atomic energy dates back 50 years ago when Ernest Rutherford, working with F. Soddy at McGill University, determined the fundamental laws governing spontaneous disintegration of radioactive materials.

Subsequent work by these and other men, and a wartime spurt, brought Canada to its current prominent place in the field.

Canada has plowed her own independent furrow in the atomic field since 1947, though still maintaining close contacts with U. K. and U. S. research centres. When the U. K. established its atomic energy program in 1946, Canada's Atomic Energy Control Act created the Atomic Energy Control Board to, among other things, conduct research, regulate production of atomic materials, and make security regulations. In 1952, Atomic Energy of Canada Ltd. was established to take over from the National Research Council on behalf of the Board.

Two years later, the Act was amended so that AECL reports now directly to the Government as does the control board.

Research development by Canada brought up the need for a source of higher neutron flux than either of the existing Canadian reactors could provide and this year, at Chalk River, Ont., there will go into operation to meet that need another natural - uranium - heavy water reactor known as NRU (National Research Universal). It will have a neutron flux five times that of the present 40,000 kw reacter NRX, produce significant quantities of plutonium and have advanced experimental facilities.

Pilot Power Plant

Early in 1954 a power reactor feasibility study started at Chalk River. This was no narrow government project. It was a national undertaking, led by Chalk River but with Ontario Hydro-Electric Commission (a public utility) and four world-known Canadian power and engineering companies taking part. From the study came the decision to build a small atomic power station and, at the same time, carry out a preliminary design study for a large atomic power station.

Next year will see construction of the smaller station in Canada under way. It will be an experimental station, generating a mere 20,000 kw, and is scheduled for operation by 1958.

Building of the 20,000 kw power station is a three-way job, shared by the government-sponsored AECL, the provincial public utility Ontario Hydro, and one of Canada's major electrical engineering firms, Canadian General Electric Co. Known as NPD (Nuclear Power Demonstration) it will have four aims:

—To provide information for a large-scale plant.

—To provide information on the economics of nuclear power production.

—To provide experience in design, construction and operation of nuclear power plants.

—To train personnel in nuclear power plant design and operation.

Cost of the plant is estimated around $12 millions to which CGE is contributing $2 millions.

Experts Forecast

When will Canada be using atomic power stations for general purposes? Dr. J. Davis, Economics Branch of Ottawa's Department of Trade and Commerce, told last August's Geneva atomic energy conference that up to 10 medium to large nuclear power plants may be required in Canada in the late 1960's or early 1970's. The majority of these, he said, may be located in Southern Ontario but others may be neeeded in the Maritimes and possibly in Southern Manitoba. A larger number of smaller nuclear plants are likely to be needed for the more northerly regions.

And it looks as if Canada will be ready in time to meet that need. Here's how some of the top men in the field have estimated the economic arrival of nuclear electric power plants:

JAMES H. GOSS, president CGE: Beginning some time in the 1960's, nuclear power stations producing at least 100,000 kw will be making their contribution to Canada's power needs.

W. L. OWEN, U. K. Atomic Energy Authority: Ontario Hydro in 1962 will be able to produce nuclear power competitive with that from coal-fired steam stations in Toronto and Windsor.

DR. L. G. COOK, AECL: By 1965 Canada should have between 10 and 15 atomic reactors in operation. Among them there should be at least one 100,000-kw power reactor, at least a prototype and possibly several operational portable reactors for use in the Canadian north.

But this is only one example of how atomic know-how and experience is spreading throughout the country, and how rapidly the Canadian role in atomic energy is growing

Canadian Westinghouse Ltd. a few months ago received a $200,000 contract from AECL for the design, development and fabrication of multipurpose loop test equipment for the new NRU reactor. This equipment is used as an addition to standard reactor equipment and allows for testing of materials, particularly fuels and fuel assemblies, in the interior of the reactor under a variety of conditions.

Simultaneously a $300,000 contract went to Canadair Ltd. to prepare a design and cost estimate for a "swimming pool" reactor — an additional atomic research tool to permit further study of nuclear fuel at Chalk River. It is being specifically designed to determine the extent to which various types of reactor fuels absorb neutrons.

And under study at the moment is Canada's first privately sponsored project to build an atomic energy reactor. Isotope Products Ltd., only firm of its kind in Canada, and the Pulp and Paper Research Institute, Montreal, have issued a joint invitation to about a dozen Canadian firms in the rubber, oil, chemical and other industries to join in a study of a $2-million scheme to build a reactor for their specific industrial purposes. Plan is for the companies to share the cost and jointly own the reactor. It would be operated by Isotope Products for research purposes and, where possible, the manufacture of specific isotopes for the firms concerned.

AECL has around 2,000 employees. There are more than 150 structures within the 100-acre fenced-in area of the Chalk River project proper which lies within a 10,000-acre area controlled by the company.

New Uranium Mines Get Big Contracts

Output Will Reach $180 Millions a Year by 1958

ALREADY king-size, Canada's uranium industry by next April will have a much better idea of what its immediate future productive capacity is going to be.

With arrangements already completed for treatment of better than 17,000 tons of uranium ore daily by March, 1957, Canada's Beaverlodge (Northern Saskatchewan), Blind River and Bancroft (both in Ontario) uranium camps have assured uranium production of about $180 millions or more in 1958.

Dozens of further uranium operators which had demonstrated uranium ore deposition are hurriedly developing their properties in an effort to meet the March 31, 1956, deadline for premium priced contracts. The number of companies which demonstrate the likelihood of production by March, 1957, and can complete such contracts, will determine immediate value and volume of production in Canada's new uranium industry.

It is estimated that 1955 uranium production of Canada had a value of approximately $23 millions. That output would derive from four mines: the Great Bear and Beaverlodge Ace mines of the Crown-owned Eldorado Mining & Refining; the Gunnar mine at Beaverlodge which entered production a few months ago; and Blind River's first uranium producer, Pronto Uranium, which reached the production stage the same time as Gunnar.

The future developments which assure greatly expanded production in coming years are these:

—Mill expansion from 700 to 2,000 tons daily being implemented by Eldorado Mining & Refining at its Beaverlodge property;

—Two mills of 3,000 tons each of Algom Uranium Mines scheduled to reach production within the next year in the Blind River uranium camp;

—A new 5,700-ton mill recently financed by Consolidated Denison Mines for its substantial Blind River occurrence.

—A 1,000-ton mill being placed on the property of Bicroft Uranium giving the Bancroft area its first producer.

—Expanded production anticipated from both Gunnar and Pronto Uranium.

There appears to be good reason for thinking that all the projected new producers will demonstrate ability to produce uranium over and above the quantity called for in individual contracts.

As far as is known, all of Canada's uranium production is being sold under contracts to the United States.

Multimillion-Dollar Projects

Altogether uranium contracts, exclusive of the Crown-owned Eldorado Company's own production call for a production of over $580 millions of uranium by March 31, 1962. The largest individual contract is that of Algom Uranium for $206,910,000 over a five-year period, with the Consolidated Denison contract amounting to $182,250,000. These contracts have been entered into by Eldorado Mining & Refining acting as agents for the U. S. Government.

Outlined ore resources of the Blind River, Beaverlodge and Bancroft camps are such that many further uranium mines can be placed in production if a demand for their output can be established.

Can-Met, Lake Nordic, Spanish American, Milliken Lake and Panel are among companies in the Blind River camp which have established uranium ore depositions while Beaverlodge has such companies as Lake Cinch, Black Bay, Lorado, National Explorations, Cayzor, Gulch, etc. At Bancroft, Dyno Mines Ltd., Blue Rock Cerium, Halo, Greyhawk, are among the companies striving for contracts.

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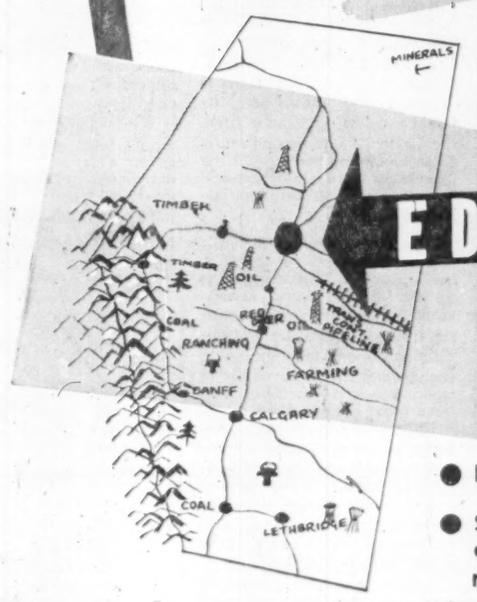
The BIG Market in Alberta

EDMONTON

.. and here's WHY!



- Fastest growing city in North America
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- More than 46% of Alberta's total population lives within 100 miles of Edmonton.
- Centre of Canada's multi-million dollar oil, natural gas and petro-chemical industries.
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Civic Block
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CITY OF EDMONTON

Centre of Alberta's BIG Market

Canada Ranks As Fourth Largest Trading Nation

ALTHOUGH its population is relatively small, Canada is one of the world's major trading nations. In 1954, the last full year for which statistics are available, Canada ranked fourth in the value of her exports (the U. S. was first, U. K. second, Federal Republic of Germany third and France fifth). Value of Canadian imports was virtually the same as that of Germany.

Beginning in 1950, Canada has imported more goods than she has exported each year except 1953. But capital investment by foreigners in Canadian development has made up for the unfavorable balance in Canadian trade.

In 1954, this unfavorable trade balance was $146.3 millions—that is, value of goods imported by Canadians was $146.3 millions greater than the value of goods exported from Canada.

Complete figures for 1955 are not yet available, but for the first 10 months of last year this import surplus was $305.4 millions. (The total for the full year will probably be less than this, since exports are usually much higher than imports in December of each year.)

The purpose for which commodities are imported or exported is tabulated each year by statisticians of the Canadian government. Here is their summary of 1954 foreign trade, by purpose:

Trade By Purpose

—Producers' materials were 76% of Canadian exports but only 30% of Canadian imports.

—Producers' equipment was 5% of exports, but 20% of imports.

—Consumer goods were 11% of exports, but 21% of imports.

Transport accounted for 12% of imports. More than 10% of Canadian imports were described as "miscellaneous or unclassified."

Canada's export trade is dominated by a relatively few commodities. The products of Canadian forests — especially newsprint, woodpulp, planks and boards—are by far the most valuable single group of exports. Wheat and other agricultural products constitute the second big mainstay of Canadian trade, although the biggest problem in Canadian export trade at the moment is the decline in her wheat sales.

Nickel and aluminum are the next two most important products in Canada's export picture. Altogether, these six products — newsprint, wheat, planks and boards, woodpulp, nickel and aluminum — represent one half of the country's total exports.

To round out the list of the top 10 exports, add copper, barley, wheat flour and asbestos. About 60% of Canada's export trade is concentrated in these 10 commodities.

Other major exports are farm implements, whisky, zinc and fish. Growing in importance each year are iron ore and fertilizers.

Imports into Canada show no such concentration in a few commodities. Instead, Canadians buy a wide variety of goods from foreign suppliers.

Chief group of imports, as listed in government trade figures, is "non-farm machinery and parts." This is a broad description which in itself comprises many different types of goods.

In second place in 1955 (fourth in 1954) is automobile parts. This is a direct result of the unprecedentedly high demand for passenger cars in 1955; most cars sold in Canada are assembled in Canada, but many of their parts are imported from the U. S. As car sales rise in Canada, so do Canadian imports of auto parts from the U. S.

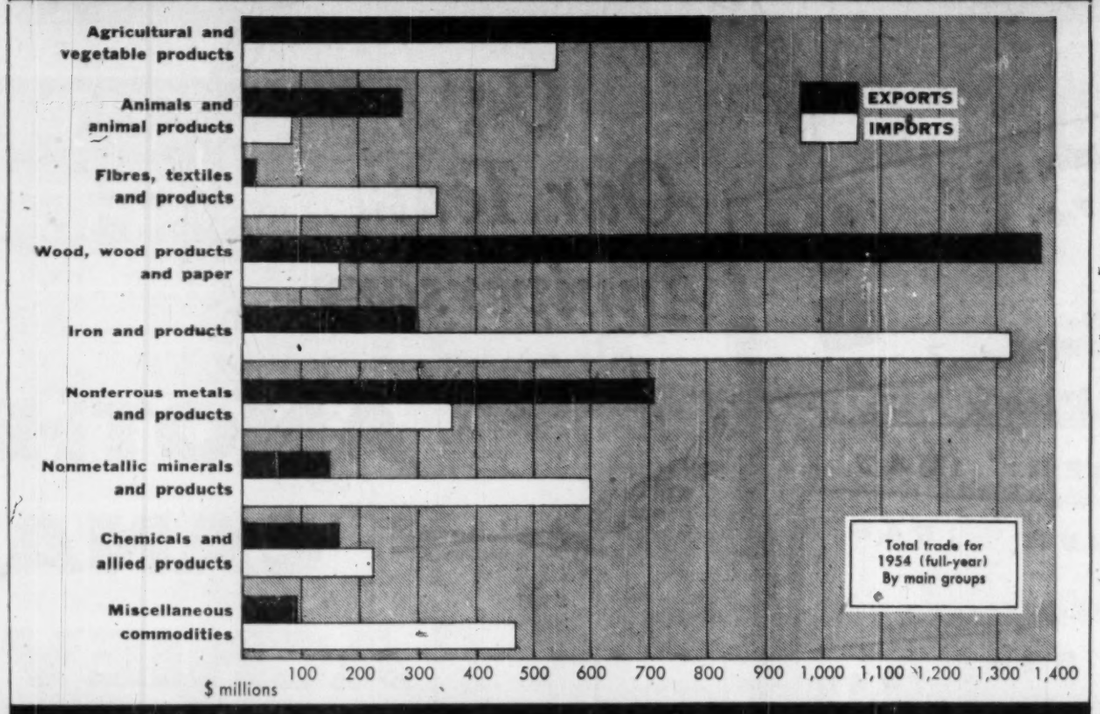
Also among the leading items of Canadian purchases from other countries are petroleum (crude and partly refined), electrical apparatus, engines, aircraft, farm machinery, tractors, rolling mill products, coal, fuel, oil and tourist purchases.

The Trading Partners

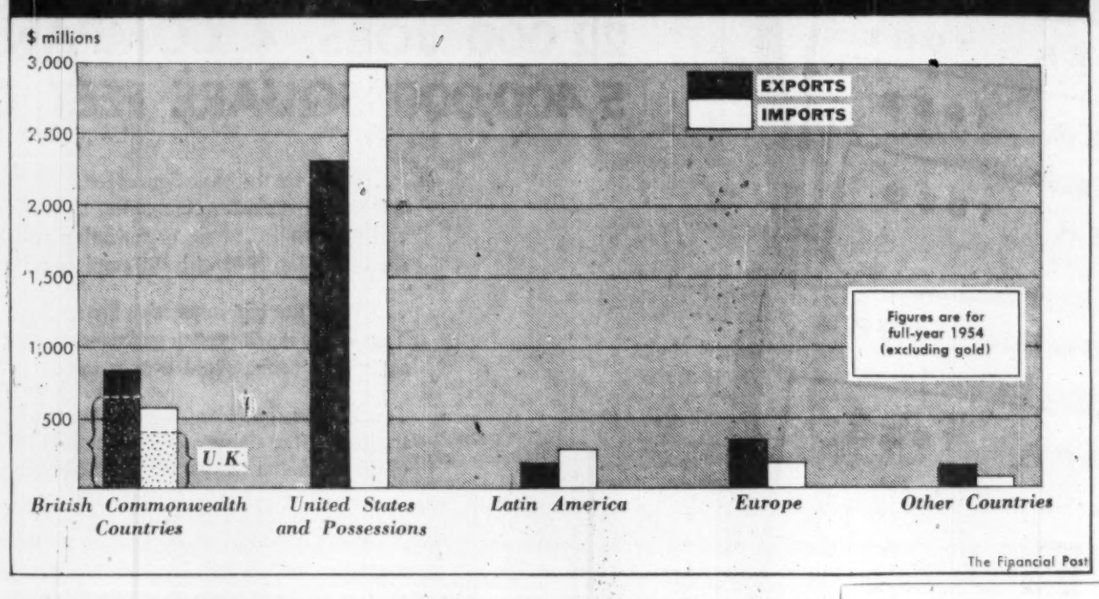
Canada's leading partners in trade are, of course, the United States and the United Kingdom. The U. S. accounts for about two thirds of Canada's total trade, and the U. K. about 13%. Last year particularly, the U. K. gained new importance as a customer with heavier purchases of wheat and grain, of wood products and base metals. Canadian exports of wood products and metals to the U. S. also increased last year, but not in the same proportion as did sales to the U. K.

Australia, New Zealand and other countries of the British Commonwealth increased their purchases of Canadian goods moderately. Some European countries, particularly the Federal Republic of Germany and Holland, have increased their imports from Canada. But Canadian sales to Brazil, Japan, Israel and a number of smaller countries were somewhat lower in 1955 than in 1954. In the case of several of these countries, the decline is attributed to the competition of the U. S., whose gifts or below-cost sales of wheat adversely affected Canada's normal marketing of wheat.

What Canada Buys and Sells



Her Trading Partners by Areas



The Financial Post

But despite these dislocations in certain areas, it appears certain that Canadian imports and exports for 1955 were higher than ever before. Total exports, it is estimated, were about 10% higher than 1954's total volume.

Exports from Canada to the Commonwealth area were 27% greater than in 1954, and sales to Western European countries were almost 20% higher. Total imports were running about 15% above 1954's imports in value, according to latest official figures.

"The growth of exports means the new capital investment in the export and ancillary industries that has been made in the postwar years is now showing results in terms of a greater flow of production," commented Canada's Finance Minister, Walter Harris, recently. "But an expanding export trade is also a reflection of the prosperity of those countries which constitute our principal markets — the U. S., the U. K., the other Commonwealth countries and the countries of Western Europe."

To Europeans and Canadians alike, this recovery has brought an increasing realization of each other's needs, both as customer and as supplier. The record growth in Canada's foreign trade is proof that the opportunities are being seized.

Some Significant Trends In Canadian Labor Force

THERE are significant and far-reaching trends in Canadian labor today:

—The number of people in the labor force is tending to decline relative to the whole population. This is in line with trends elsewhere, especially in the U. S. In 1935, 40% of all Canadians were in the labor force; in 1945, the labor force was 37% of the total population. The percentage today is around 35%-36%.

—Per capita productivity is increasing. While the labor force has risen only 29% in 20 years, gross national product has risen 400% while consumer prices have little more than doubled.

—Hours of work are declining. Average hours worked today range between 36 and 46, depending on the industry. The national average is close to 40 hours. The tendency is to go still lower. Labor and even some businessmen are beginning to think of the four-day, 32-hour week.

—Labor income is rising. It was $2,580 millions in 1939. Last year's total should approach $13,000 millions.

—Canada, because of her cold winters, has a decided seasonal variation in employment. Total employment varies by hundreds of thousands from summer to winter. Because of changing economic conditions and a concerted attack on seasonal employment by government and management, seasonal changes are flattening out.

—The proportion of people in agriculture is declining, even though farm output is

rising. About 28%-30% of the labor force was in agriculture 20 years ago. Today: About 15%.

—As in any economy where per capita income is rising, the proportion of people in service-type industries (including transport, finance, trade, utilities and the usual service professions) is also rising.

—The proportion of union members has been tending upward until recently. The upswing may resume in the near future.

—Many women, both single and married, work. A recent compilation showed women making up 22% of the work force.

	000		
	Recent Month	1945	1935
Civilian labor force	5,600	4,500	4,350
In manufacturing	1,400	1,200	600
In agriculture	800	1,150	1,300
Elsewhere	3,250	2,100	1,850
Without jobs, seeking work	150	30	600
Remainder of population	10,200	7,350	6,600

*Including mining, forestry, construction, transport, utilities, trade,

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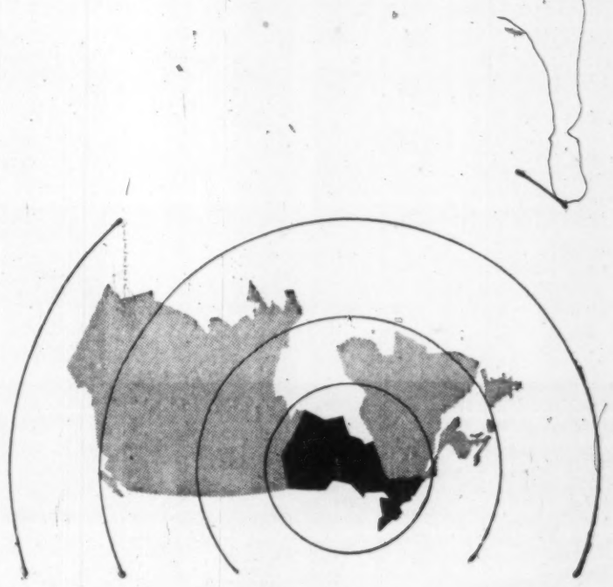
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half of Canada's production
employment
payrolls
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On Our Tenth Anniversary

ANOTHER CANADIAN ACHIEVEMENT

22,000 JOBS, 4 COMPANIES, 9 PLANTS, 5,400,000 SQUARE FEET OF FLOOR AREA

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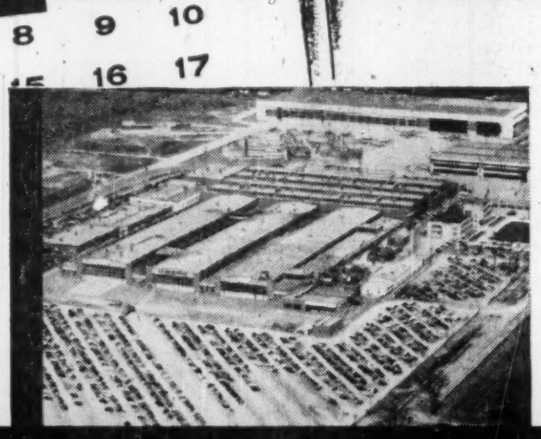
. . . These are big, impressive figures for a 10-year-old corporation. They imply much growth and development, a record of significant achievement over a relatively short period of time.

. . . They're significant figures too, providing one measure of the A. V. Roe Canada group's contribution to the health and vitality of the Canadian economy and its stake in the nation's future.

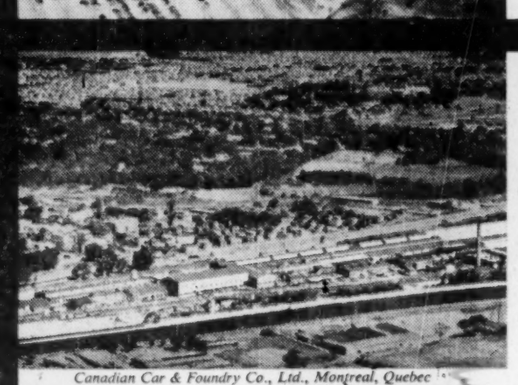
This contribution is truly remarkable. In 10 short years the A. V. Roe Canada companies have provided Canada with its first jet transport, its first jet interceptor, its first jet engine, its first private aeronautical facilities for original research. Additionally, many other firsts originated through the establishment of a network of some 1,000 subcontractors and suppliers which span the nation.

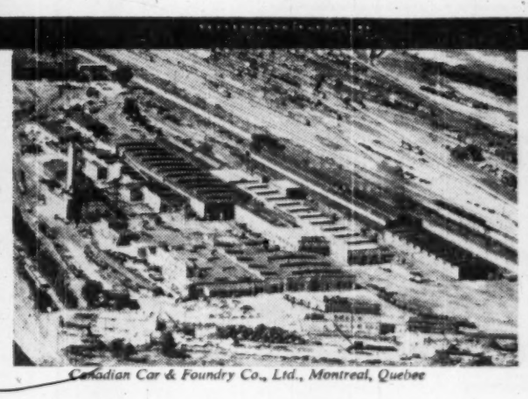
And now with Canadian Car and Foundry Company Limited as a member, the A. V. Roe Canada group broadens its industrial base to include an array of commercial products that are exported to 26 countries. Through its enlarged engineering, research and development establishments the group provides additional creative opportunities for young Canadian scientists and engineers which never existed before within their own land.

All this in 10 short years . . .


Avro Aircraft Limited, Malton, Ontario

Canadian Car & Foundry Co., Ltd., Montreal, Quebec


Canadian Car & Foundry Co., Ltd., Montreal, Quebec


Canadian Car & Foundry Co., Ltd., Montreal, Quebec

Canadian Car & Foundry Co., Ltd., Fort William, Ontario

Canadian Steel Improvement Ltd., Etobicoke, Ontario

Orenda Engines Limited, Malton, Ontario

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Light alloy products
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Machine shop products

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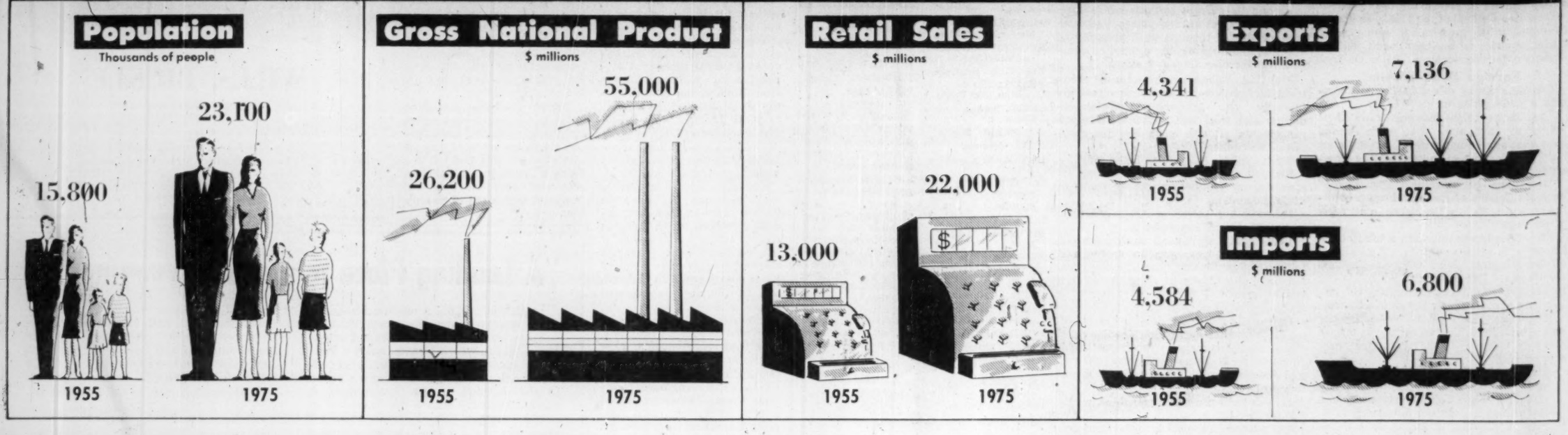
Overseas Edition **The Financial Post** *Second Section*

A Look at 1975 — Here's How the Nation Will Grow



Why Should You Do Business With Canada?

It's Land of Invitation, Opportunity and Growth For Investors, Traders

WHY SHOULD you do business with Canada?

Recently a Canadian businessman was asked this question by a group of young men and women seeking their future in Canada. This is what he said:

"Our governments encourage the investing of capital.

"To help business buy new equipment or to provide loans banks may not wish to risk, we have the Industrial Development Bank.

"We have laws which allow a corporation to pay out part of its surplus after paying a small tax, and we also have very reasonable income tax for smaller companies.

"For the investor there is a 20% tax credit allowed on dividends paid on shares of Canadian companies. This is over and above the 20% depletion allowance on dividends of mining shares.

"Further still, Canada has no capital gains tax.

"It is the most inviting country on earth for the investor or businessman."

From your office outside Canada's borders, you may ask what this means to you.

It means that a great new trading nation is growing on the upper half of North America, market for your goods, a supplier of goods and materials and a stable target for your investments.

Canada is expanding in every direction, in an exciting atmosphere of freedom, wealth and encouragement.

A Nation of Means

Canadians are producing more: the gross national product in 1955 is estimated at $26,000 millions. Canadians have more money to spend: retail sales last year were more than $13,000 millions, an all-time record.

Canada is also a world trading nation. In the first nine months of 1955 she imported $3,426 millions in goods from countries around the earth. In the same period she sold $3,145 millions of her products to those same countries.

In the last decade the living standard of Canadians has risen by 50%, and since 1941 the population itself has increased by 30%.

Last year total new investment by Canadian businessmen and investors in Europe, the U. K. and the U. S. in Canada was close to $6,000 millions.

Canada now produces some 70 different minerals from her mines, which are scattered from coast to coast, over a distance of about 4,000 miles, and up beyond the northern seas.

She is the world's principal producer of nickel, asbestos and—probably quite soon—the key metal of the atomic age, uranium.

Canada is the second largest producer of aluminum, platinum, cobalt, gold and zinc. She is the world's third largest supplier of lead and silver, and the fourth in copper.

From her widespread mines come vast supplies of iron, columbium, lithium, all vital in expanding civilization's scientific and industrial frontiers.

Canada's hundreds of thousands of square miles of farmland are equally prosperous, although the value of agriculture is slowly declining in proportion to the growth of industry. Last year, the estimated cash income of Canadian farmers reached about $2,450 millions.

Much of Canada is primeval forest, which blankets the land from the southern border to the tree line at the arctic tundra. Taking products from these forests, naturally, is Canada's largest industry.

Canada supplies well more than half the world's newsprint, and a good 93% of this production is exported.

The forest industries employ about half a million Canadians, 160,000 in logging, 72,000 in lumber, 65,000 in pulp and paper, 100,000 in wood-using and paper-using industries. The average wage in this industrial giant is about $4,000 a year.

Canada has oil, too.

She is now the world's seventh largest producer of petroleum and its products. Investors have spent $2,500 millions in her oil fields and refineries, and another $1,000 millions will be invested in the next five years.

Once Canada depended almost entirely on oil imports. Today she exports oil through a great pipeline that carries the crude petroleum over the rugged Rocky Mountain ranges to the Pacific coast. It is carried to refineries in Canada and on the U. S. west coast.

Soon, it is expected, Canada will be exporting 75,000 bbls. of oil a day through this pipeline. That is three times the amount produced in all Canada a decade ago.

In Canada's chemicals and general industries, plants are expanding without slowdown.

There isn't enough steel for everyone who wants it, even though Canada's steel industry has increased its production by 33% in the last five years and the steel plants are operating at capacity.

This is Canada today, but what of tomorrow?

One of the country's leading economists says that the population will increase by 50% in the next 20 years.

By 1975 the changes in distribution and proportion of the population will have balanced off, and Canada's labor force—therefore her moneyed market for consumer goods—will have risen by 50%.

Another major factor in Canada's growth is the average productivity of the man employed. Over the last 25 years in Canada this factor rose at about 2% a year.

From 1947 to 1953 the average rate of increase was 2.7% per worker per year. A straight projection of this increase, speeded by new technological advances, would bring Canada's gross national product to some $55,000 millions in 1975.

Today citizens are talking already of a 30-hour week, in a country where the 40-hour week is virtually universal.

Canada's future increased production will mean more leisure for her people—and, in turn, heightened demand for leisure goods and services.

The Canada of 1975 will see retail sales of some $22,000 millions.

Exports likely will reach $7,100 millions, and imports $6,800 millions.

In 1975, Canada will be a nation of 23.1 million healthy men, women and children—living on their own plot of land, enjoying every aid to long life, every labor-saving device that modern science and an industrial economy can provide.

They will work in air-conditioned factories and offices and earn the highest living standard, and produce more goods per worker than our fathers ever dreamed of.

They will earn leisure, to play under the sun in Canada's mountains, and by her coasts, and in the natural parks of her forests.

They will drive back the northern frontier, and open a new way of life in Canada's vast arctic and sub-arctic.

Why shouldn't you do business with Canada?

The Great Market Areas

These are Canada's greatest market areas, today and tomorrow . . .

CITY	% RETAIL SALES	SALES 1955 ($ Mill.)	SALES 1975 ($ Mill.)
Toronto ...	10.3	1,339	2,266
Montreal ..	10.0	1,300	2,200
Vancouver .	4.7	611	1,034
Winnipeg ..	2.9	377	638
Ottawa	2.1	273	462
Hamilton ..	2.1	273	462
Quebec City	1.6	208	352

Market areas include city and suburbs. Based on latest trends, but all figures are estimates.

They Will Help You Buy, Sell . . .

J. H. ENGLISH — *Director, Canadian Trade Commissioner Service*

D. B. GILLESPIE — *President, Canadian Exporters Association*

JOHN C. McDERBY — *General Manager, Canadian Exporters Association.*

J. D. COWAN — *President, Canadian Importers & Traders Association*

H. C. MacKENDRICK — *General Manager, Canadian Importers & Traders Association*

How To Make Quick Canadian Contacts

These Agencies Will Help You Do Business in Canada

DOING business with Canada is just about as easy as entering another figure in the profit side of your ledger.

Selling? Buying? Enquiring?

Canada's Federal Government, her provinces and private business organizations stand ready to help you no matter how far from her borders you may be.

You face one major decision, however, before marketing your goods in Canada: should your goods be handled whole by an import company in Canada (or directly to the customer), or should you set up a branch plant?

Economists point out that a country undergoing modern industrialization passes through four stages of development:

(1) Importing goods whole.

(2) Assembling goods from imported parts.

(3) Semi-manufacturing from raw materials.

(4) Manufacture of the complete product from domestic raw materials.

Canada today is entering the fourth stage of development, and the quality and variety of her products is known throughout the world through her exports.

More foreign countries are opening plants in Canada than ever before, carrying out the operations of the second, third and fourth stages of industrialization.

The outside businessman must keep this competition in mind.

Businessmen and investors outside her borders have worked out a sound rule-of-thumb to help in making the decision. This is:

"If your sales in Canada have reached or are likely to reach between 5% and 10% (or more) of your total gross sales, start thinking about a Canadian plant."

These are but a few of the plants opened in Canada last year by foreign companies:

—Canada's first seamless steel pipe mill, from Germany.
—Iron concentration plant, from Germany.
—Steel pipe mill, from Germany.
—Tile factory, bought by a German firm.
—Hosiery mill, bought by a German firm.
—Oil refinery and cement plant, backed by a Belgian company.
—Weigh scale, distributing warehouse factory, from Sweden.
—Pharmaceutical factory, from Sweden.
—Power shovel manufacturing plant, from Italy.
—Electroplating plant, from France.
—Weighing machine factory, from Sweden.
—Construction hoist assembly plant, from the Netherlands.

Assistance From Canada

Should you decide to open a full-scale manufacturing, assembly or semi-manufacturing plant in Canada, a large team of economists and location experts will be at hand to assist.

Property taxation concessions are available in many Canadian towns and smaller cities, along with excellent labor supplies and transportation.

For handling such plant enquiries, several of the larger provinces maintain information offices in London, England, at the service of British and European businessmen.

These offices can answer virtually any questions, geographical, financial and economic, on the spot.

If you are interested in knowing about local economic amenities in any province, however, you may write the provincial industrial development department in any of the following provincial capital cities:

—St. John's, Newfoundland.
—Charlottetown, Prince Edward Island.
—Halifax, Nova Scotia.
—Fredericton, New Brunswick.
—Quebec City, Quebec.
—Toronto, Ontario.
—Winnipeg, Manitoba.
—Regina, Saskatchewan.
—Edmonton, Alberta.
—Victoria, British Columbia.

Address your enquiries to the Industrial Development Department, Provincial Government, the particular capital city. All these provincial government branches, incidentally, have a central organization for joint co-operation and information.

You should have an accurate, detailed reply — or brochure — on your desk within a very short time. The service of a team of provincial economists and planners can assist in any plant plans you have.

If your business with Canada is not at the plant stage yet, or if you are interested in selling your goods in Canada on an import basis, or if you would like to buy Canadian goods and services, a different team is prepared to assist.

Canada maintains a corps of trade counsellors and commissioners in cities in South America, North America, Asia, the West Indies, Africa, the Middle East, Europe, Australia, and the United Kingdom.

These men are specially appointed to assist foreign businessmen in trading with Canada. They can supply important trading statistics, sales patterns, marketing trends, strength of competition already in your field.

In private business, a number of other organizations may be able to assist you as well.

Canada is a member of the International Chamber of Commerce, which has played a major role in helping to smooth out the flow of trade between countries everywhere.

The Canadian Council of the I.C.C. was formed after the war, and today is a cross-section of Canadian business with more than 200 members.

Only nine Canadians participated in the I.C.C. meeting in Lisbon, but 17 went to Vienna in 1953, and 34 arrived in Tokyo in 1955.

The I.C.C. is more an idealistic force in world trade than a physical one, but in-

(Continued on page 18)

Where to write . . . . Who to see

These men can help you to do business with Canada:

GENERAL ASSISTANCE:

Canadian Trade Commissioner, your city (or a city near yours).
or
J. H. English,
Director,
Trade Commissioner Service,
Department of Trade & Commerce,
Ottawa, Ontario.

BUYING:

John C. McDerby,
General Manager,
Canadian Exporters Association,
276 St. James Street West,
Montreal, Quebec.

SELLING:

H. C. MacKendrick,
General Manager,
Canadian Importers & Traders Association,
9 Duke Street,
Toronto, Ontario.

BANKING & FINANCE:

F. W. Nicks,
President,
Canadian Bankers Association,
901 Bleury Street,
Montreal, Quebec.

GENERAL CONDITIONS:

Carl Bergithon,
Manager,
Canadian Council,
International Chamber of Commerce,
1411 Crescent Street,
Montreal, Quebec.

For the names of provincial officials who can assist in trade or business enquiries, see separate stories on each province in the following pages.

How To Make Quick Canadian Contacts

(Continued from page 17)

ternational members may call on national committees in any of the 37 member nations for assistance.

Close understanding, co-operation and enlightenment, the I.C.C. believes, not only unites world businessmen in trade but is a major factor in preserving the peace.

Canadian Council of the I.C.C., Montreal, can assist a foreign member with general trade enquiries on business conditions and economic development.

Foreign Bank Service

Canada's banks offer foreign businessmen a wide range of services, too.

The banks pride themselves on their ability to offer more than such limited assistance as arranging credit; looking after necessary documents and facilitating cross-border payments.

There are 10 private or "chartered" banks in Canada operating a branch banking system with local branches in all parts of the country.

Six of the banks maintain a total of 123 branches in other countries. And almost all have in their head offices a Business Development Department which specializes in helping foreign businessmen who are thinking of extending activities to Canada.

If a businessman abroad is looking for advice on establishing an agency or branch plant in Canada, banks will offer these services:

—Help in locating suitable markets for products, assistance in finding the right site for a product outlet or branch plant.
—Assistance in learning how to do business in Canada, including advertising, marketing and organizing operations.
—Advice on where to obtain specialized services such as accountants, customs help, legal and other professional services.
—Help with documents, letters of credit and financial problems.

At the moment there are two Canadian banks with extensive overseas connections through foreign-owned parent banks.

One is Barclays Bank (Canada) and the other is the Mercantile Bank of Canada (controlled by Nationale Handlesbank N. V. Amsterdam).

Other longer-established Canadian banks such as Bank of Montreal, Bank of Nova Scotia, Royal Bank of Canada, Toronto-Dominion Bank, Canadian Bank of Commerce and National Canadian Bank maintain branches abroad.

All of these together with Imperial Bank and the Provincial Bank also do business in most countries through correspondent banks and individual agents.

Help for Traders

If your interest is in buying Canadian goods, materials or services, an enquiry to the Canadian Exporters' Association will turn up some valuable help.

The CEA was formed in 1943, as a "clearing house" for Canadian exporters, whose aims are to expand Canada's commerce with other countries. It is an organization comprised wholly of businessmen and companies, and is not connected with any government.

It is, however, recognized by the Federal Government and all provincial governments as the "loudspeaker" of private Canadian export policy.

Among its current projects are a mail course in exporting for young businessmen, conducted through the University of Toronto, and a continuing promotion campaign to increase Canada's exports.

The CEA maintains a six-man Government Liaison Committee which meets informally with government officials to discuss and work out better trading arrangements. It also has a working committee on traffic.

What can the CEA do to assist you?

First, it passes information among its members on the betterment of trade in various countries.

It works for better import regulations and tariff policies everywhere.

In its efforts to expand world markets, the CEA introduces foreign agents and buyers to Canadian members. If they cannot help, the CEA will refer the foreign businessman to the proper company or trade organization.

One of its major services is the publication of practical advice to Canadian firms which want to begin in the export field. In doing so, it keeps a file of aggressive and effective foreign agents for the use of its members.

Do you have a product you think would sell in Canada?

Put a letter in the mails to the Canadian Importers & Traders Association, and tell its members about your goods. But be sure to include the following:

—A catalogue (if available).
—Prices.
—Terms of payment.
—Delivery date.

Do not send samples.

One of the CITA's many tasks is telling its membership of 400 firms across Canada about new products waiting to be sold. If suitable, your product information will be published in the CITA's influential weekly bulletin.

Among the over-all aims of the CITA are:

—Promotion of international trade generally.
—Study of proposed legislation governing international trade.
—Contact with the import section of the Federal Government.
—"Clearing house" for all import enquiries.
—Represent all importers in the determination of fiscal and tariff policies.

The weekly bulletin trade enquiry service has worked well for many foreign traders. In five months last year, the bulletin published 500 enquiries from outside Canada's borders, and these drew more than 100 replies from Canadian companies.

Another important function of the CITA is obtaining customs rulings on foreign-made goods.

"We secure rulings for members on import questions without disclosing their names," says H. C. MacKendrick, CITA's general manager. "The officials give us an excellent hearing—even when we are withholding the name of the importer seeking the ruling."

The CITA has been described as "a staunch advocate of unclogged, fast-flowing channels of trade. It is a dispenser of information, supplicant to government, internal advisor, watchdog of prosperity."

And for the foreign businessman who wants to see Canadian products, materials and opportunities at first hand, Canada will have exhibits and representatives at most of the world's great trade fairs in 1956. Canada will be represented at:

—Royal Netherlands International Trade Fair, Utrecht, opening March 13.
—Osaka International Trade Fair, April 8-22.
—Milan International Trade Fair, April 12-27.
—Frankfurt Fur Fair, April 21-24.
—Brussels International Trade Fair, April 28-May 13.
—Salon de la Chimie, Paris, Nov. 21-Dec. 3.
—Comptoir Suisse, Lausanne, Sept. 8-23 (possible).

Canada's Commercial Counsellors Abroad

Canada maintains commercial counsellors or trade commissioners in these cities:

ARGENTINA: Buenos Aires.
AUSTRALIA: Melbourne, Sydney.
BELGIAN CONGO: Leopoldville.
BELGIUM: Brussels.
BRAZIL: Rio de Janeiro, Sao Paulo.
CHILE: Santiago de Chile.
COLOMBIA: Bogota.
CUBA: Havana.
DENMARK: Copenhagen.
DOMINICAN REPUBLIC: Ciudad Trujillo.
EGYPT: Cairo.
RHODESIA: Salisbury.
FRANCE: Paris.
GERMANY (WEST): Bonn.
GREECE: Athens.
GUATEMALA: Guatemala City.
HONG KONG: Hong Kong.
INDIA: Bombay, New Delhi.
INDONESIA: Djakarta.
IRELAND: Dublin.
ITALY: Rome.
JAMAICA: Kingston.
JAPAN: Tokyo, Kobe.
LEBANON: Beirut.
MEXICO: Mexico City
NETHERLANDS: The Hague.
NEW ZEALAND: Wellington.
NORWAY: Oslo.
PAKISTAN: Karachi.
PERU: Lima.
PHILIPPINES: Manila.
PORTUGAL: Lisbon.
SINGAPORE: Singapore.
SPAIN: Madrid.
SWEDEN: Stockholm.
SWITZERLAND: Berne.
TRINIDAD: Port of Spain.
UNION OF SOUTH AFRICA: Cape Town, Johannesburg
UNITED KINGDOM: London, Liverpool, Belfast.
UNITED STATES: Washington, New York, Boston, Chicago, Detroit, New Orleans.
URUGUAY: Montevideo.
VENEZUELA: Caracas.

Canada Is World Asbestos Capital

CANADIAN asbestos production rose by about 10% last year, to pass the one-million-ton mark for the first time. And production outlook for 1956 is as good if not better.

The gain last year reflected strong world demand and increased milling capacity. Competition in Western Europe from Russian and South African fibre stiffened. Shipments to South America were lower. But economic activity in United States, Canada's biggest asbestos customer, was sharply higher.

During 1955, temporary shortages appeared in some grades. Over-all, however, industry leaders say the market was in better balance than it has been for some years. At the moment, production capacity is nearly equal to demand, and this stability is expected to continue.

Asbestos deposits are found in Italy, Cyprus, Rhodesia, South Africa, Australia, New Zealand, Bolivia, Peru, Finland, Russia, Czechoslovakia, the U. S. and many other countries. Canada, however, where a $95-million expansion program is nearing completion, is the main producer.

In Canada, both Ontario and British Columbia now boast asbestos mines, opened in recent years. But south of the St. Lawrence River in the Province of Quebec, from a rectangle 50 miles long and 15 miles wide, comes 65% of the free world supply.

Here from 11 mines, seven major mining companies produce some 900,000 short tons of fibre a year. In 1955, 97% of this was exported, 52% going to the United States.

Major Expansion

The seven Quebec producers account for $75 millions of the $95 millions now being spent to expand Canadian production.

As part of this, a project finished during 1955 included a $15-million mill addition by Canadian Johns-Manville, a new $16-million mine and mill of Asbestos Corp. and a new $8-million mill of Johnson's Co. Flintkote Co. and Quebec Asbestos Corp. extended their mines and mills, and a substantial part of a vast railway and town relocation project, which will uncover large new ore bodies, was completed.

Canadian asbestos production is now 10 times as large as it was 45 years ago, and more than doubled the figure reached during the last world war. Shipments in 1954 were worth $83 millions, representing a substantial portion of Canada's mineral output.

Changes in methods of production have been equally striking. Today the Canadian asbestos worker is a major user of electric power. The pick he once swung has given way to explosives, and the hand shovel to huge electrically controlled shovels weighing up to a million pounds. Mechanical crushers have replaced sledge hammers for crushing large boulders, and hand labor is limited to combing the rarer and more valuable long fibres.

This emphasis on mechanization has helped raise earnings of the asbestos miners and mill workers. Today, in Quebec, their wage rate of $1.80 per hour is the highest in the province for hourly paid employees.

Long-term prospects for the Canadian asbestos industry are considered excellent. Ore bodies assure ample supplies of fibre for at least the next century, while demand is rising steadily. The increase is especially marked in such things as construction and automobile manufacturing. All told there are now about 3,000 uses for asbestos in industry.

Several Canadian expansion projects will not be completed until 1957. Coupled with today's balance between supply and demand, this has cut the incentive for exploration somewhat recently. The lag, however, is thought to be only temporary.

YOUR
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The steady growth and expansion of the Canadian economy warrants your attention. Investment opportunities in Canadian industries and natural resources should be studied. We invite your inquiries on Canadian securities for growth, security and income possibilities.

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"A Leading Place In Aerial Surveying..."

In October, 1955, a leading Canadian daily newspaper said, editorially:

"One field of engineering and scientific effort in which Canada holds a leading place is aerial surveying. Acknowledgement of this pre-eminence is seen in the decision in the Government of Ceylon to enter into a contract for an aerial survey of Ceylon's natural resources by a Canadian firm, Photographic Survey Corporation. This project to cost a half million dollars, and last two years, will be financed by Canada under a Colombo Plan grant. The fact that Canada is paying the bill might appear to have been the chief factor in the selection of a Canadian firm. It was not. The choice was made by Ceylon herself, because she is aware of a similar survey just completed by this firm in Pakistan and of the unexcelled experience of such surveying that Canadian operators have accumulated over their own vast country. This is the sort of know-how that can best be acquired where there is a huge area of land. Aerial surveying programs, both government and private, have been vigorously pushed in the last ten years. It is from them that much of the most important information on mineral deposits has been obtained. Flying photographers and geologists with special equipment, paved the way for the opening of the Labrador iron mining fields and other mineral areas. Their pioneering contributed much to the information that had to be collected before the northern warning radar lines could be planned. Ceylon will get first-class service from the technicians and engineers of Photographic Survey Corporation who will soon be photographing every hill and valley of her 25,000 square miles. Long after they are gone Ceylon will be reaping the benefit of their expert assistance moving steadily nearer to higher living standards and greater purchasing power."

So it goes. PSC, along with intensive work in South America, is now busy in Ceylon. Aircraft, rebuilt and equipped by Field Aviation for Kenting Aviation, have joined the British scientific expedition in the Antarctic. Airborne electromagnetometer equipment of Aeromagnetic Surveys is now in Africa. The now-famous instrumentation devices of PSC Applied Research are flying the Canadian sky in CF-100 interceptors.

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Key Supplier of 'Packaged Power'

Major Growth Under Way In Primary Aluminum Output

CHEAP AND plentiful power is the key to Canada's development as a major supplier of primary aluminum.

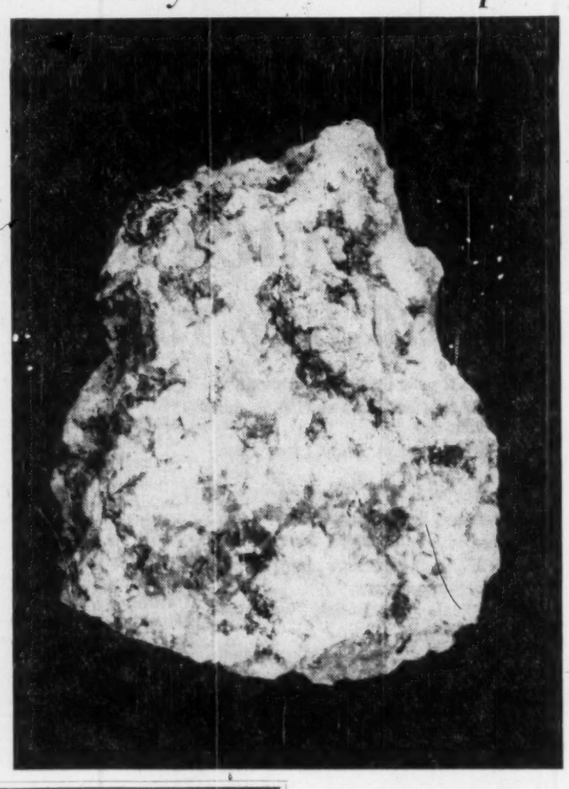
Today Aluminum Co. of Canada Ltd., principal subsidiary of Aluminium Ltd., is one of the important factors in world aluminum trade. It is engaged, through subsidiaries, in more than 20 countries in the production, fabrication and sale of aluminum and aluminum products.

This industrial giant is now the only producer of primary aluminum in Canada and supplies more than 20% of world production. But it appears British and American capital supplied by other companies will play an increasing role in the future of aluminum in Canada.

British Aluminium Ltd. has announced plans for a $130 million plant to produce 160,000 tons of ingot annually by 1965 at Baie Comeau, Que. It will participate in this program with Quebec North Shore Paper Co., a wholly-owned subsidiary of Ontario Paper Co., of Thorold, Ont.

Reynolds Aluminum Co. of Canada Ltd., was established in October this year as a subsidiary of Reynolds International Inc., which in turn is wholly-owned by Reynolds Metal Co. of the U. S., to operate an aluminum rolling mill at Cap-de-la-Madeleine, Quebec. This could be the forerunner to Reynolds entry into this country in primary production. During the year, there were rumors that Kaiser Aluminum and Chemical Corp. — a major primary producer in the U. S. — was considering building an aluminum smelter at Seven Islands, Que., using the Southern terminus of the new Iron Ore Co. of Canada railway, as a site. The plant would likely use power from Labrador's so-far undeveloped Hamilton River.

Meanwhile, Alcan (Aluminum Co. of Canada) continues as a major world supplier. In 1954, it supplied some 21.1% or 560,900 tons of the total world production of 2,652,000 tons. Production was only exceeded by the United States where 55% of world output originated. Other producers, exclusive of Russia, were Germany, 143,500 tons, or 5.4%; France, 132,300 tons, or 5%; the United Kingdom, 35,000 tons or 1.3% and other countries, 319,600 tons or 12.2%. These figures are estimates.



BAUXITE ORE (above) or alumina is shipped from Caribbean area to be turned into aluminum in Canadian plants feeding on abundant and cheap hydro-electric power resources.

Allocations In '55

Consumption of aluminum in 1955 was at a very high level in all the markets for Canadian ingot. Demand was considerably in excess of the company's present productive capacity. As a result, it had to limit the amount of its metal for each market by means of a system of allocations.

Sales development efforts have contributed to this growth. Significant results of recent years' development efforts are larger scale use of aluminum in transportation equipment, buildings and in the electrical industry. It is also familiar in new markets like packaging for foods, perishable goods and pharmaceuticals, in super structures of ocean vessels, tanks and piping in industrial chemical plants and in roofing for barns and industrial buildings.

Shipments of Canadian aluminum ingot for 1955 are estimated at about 600,000 tons or about 50,000 tons higher than the previous year.

Here is a breakdown on some of Alcan's future commitments:

— **United Kingdom.** The U. K. Government holds first call on production for 275,600 tons per year, in 1956-1957; 303,900 tons per year in 1958-1960; 275,600 tons per year in 1961-1970; 55,100 tons per year from 1971-1973.

— **United States** contracts with Aluminum Co. of America, and Kaiser Aluminum and Chemical Corp. call for delivery of an aggregate of 786,000 tons during the years 1953 through 1958. To the end of 1955, 208,100 tons were shipped

(Continued on page 21)

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CANADA offers unlimited opportunities for capital investment. Recent listings with our Business Sales Division include manufacturing concerns, retail and wholesale firms and many other types of businesses.

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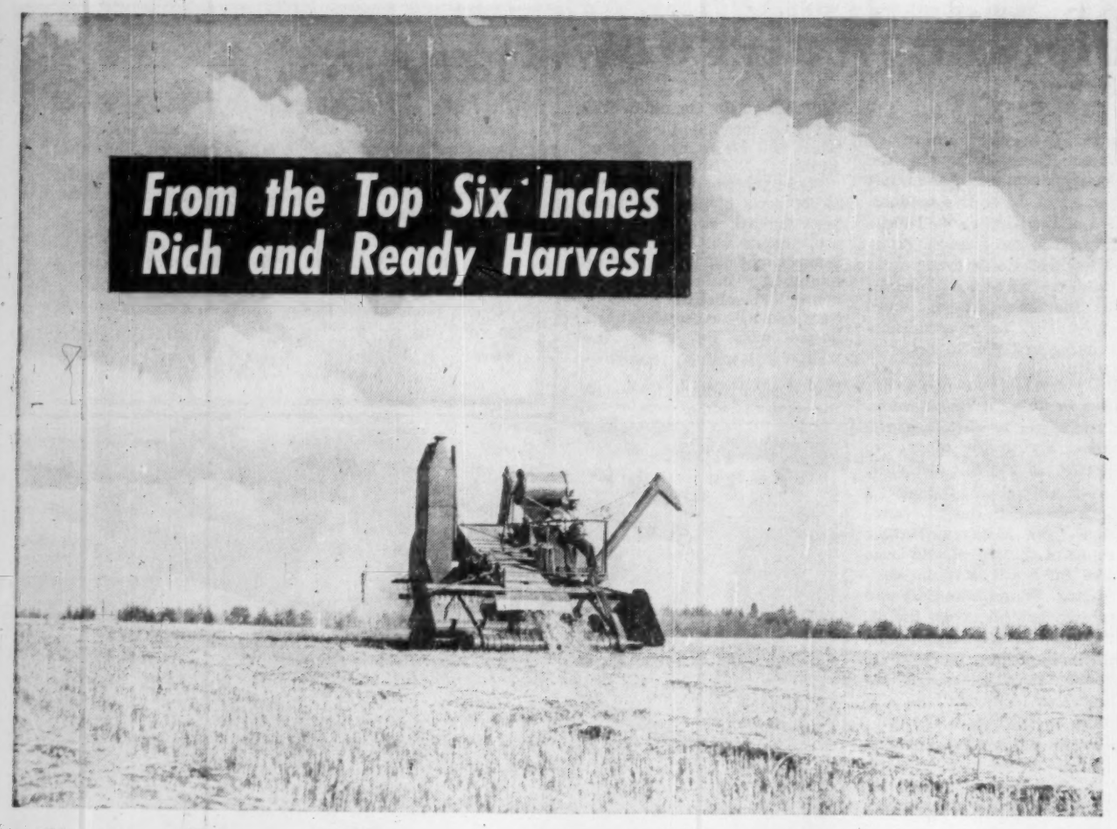
LA PROVINCE DE Québec



Canadian Farms Could Be Too Fat

High Productivity Creates Stubborn Marketing Problems

CANADA's sole important long-run agricultural problem is that of finding markets for the ever-increasing product of her sprawling farmlands.

That may not be quite true. But it is so close to the truth that it suggests that Canadian farming's dominant fact is this:

Nowhere in the world is there a farming community which surpasses Canada's ability to combine a lot of capital, a lot of land and a little labor to produce staggering quantities of grain, meat and specialty crops.

Productivity has risen so rapidly that Canada has a marketing problem for almost every major farm commodity. Those problems are greatly complicated by the tangled state of international trade and the inability of Canada's small population to come close to consuming the nation's farm output.

The result: Canada cannot afford to subsidize and protect farming in the manner which has been traditional for centuries in most countries of the world.

It cannot afford to help the farmer with government expenditures of billions of dollars, as the U. S. has been doing. Whereas the massive U. S. tax base can support, say, a billion-dollar helping hand for farmers, Canada's cannot.

Thus Canada's governmental help for farmers is confined to comparatively inexpensive, strategically timed items:

It has a national grain marketing board (The Canadian Wheat Board), which handles the selling of western wheat and other major grains, and is attempting strenuously to keep prices firm; it has a price floor for hogs, eggs and butter; it has given help to cheese-producers; it is now helping apple and potato-producers with their marketing problems; it is helping wheatgrowers in their present inability to deliver great mounds of wheat stored on farms.

The bill for all this varies widely, depending on the need for help. But it does not approach the amount spent directly and indirectly for similar objectives in most other important trading nations.

That is a brief picture of the farm marketing dilemma in which Canada finds itself — it can produce the goods and produce them quite cheaply but it cannot heavily subsidize their sale.

Income Trend Down

And that is the prime reason for the downtrend in net farm income over the past five years.

Net cash income to farmers swelled to an amazing $2,150 millions in 1951. That was a time when average farm income became substantially exceeded the per capita income of the nonfarm populace.

But net farm income in 1955 was down to something in the vicinity of $1,225 millions.

This amount is still enough to allow farmers to maintain their very considerable capital investment. That is extremely important, since a deterioration in capital — like that which occurred in the 1930s — impairs efficiency of production.

The job of maintaining farm capital is a big one in Canada. Its size can be partly measured in these figures:

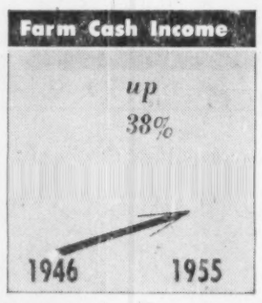
The 250,000 farmers in the three Prairie Provinces alone have capital investment of more than $5,000 millions. Probably a quarter of this is in machinery and equipment. Investment in machinery and equipment has more than tripled since the last war — and it was quite large even then.

This suggests that total Canadian investment in farm lands, buildings, machinery, equipment and livestock is more than $10,000 millions.

Present net income levels also are sufficient to allow farmers to buy normal consumer needs. This has become evident during the past two years, as farming communities continued to show good retail sales.

The main impact of lower farm income in Canada has been a reduction in the purchases of luxury items and large hard goods like refrigerators, cars, trucks, farm implements.

But the Canadian farmer remains a very important factor



in the consumer and capital goods markets.

That's why the whole business community is concerned with his marketing problems.

And countless farmers who could keep chickens and cows to supply eggs, poultry, milk, cream and butter for their families do not do so. Why? Simply because it isn't worth their while. They can make more money by concentrating on their own particular farm specialty and letting other people concentrate on theirs.

That is a clean break with European farming tradition. It puts the farmer squarely in the consumer marketplace, along with the industrial worker, the executive and the professional man.

And it increases farm vulnerability to changes in the national and international business climates. Another key to understanding Canadian agriculture is the knowledge that it is still in a period of rapid transition.

Important trends:

—The number of people on the land is declining quite rapidly, both comparatively and absolutely.

—Per capita farm production is rising quickly.

—Many smaller rural villages and towns, organized in the era of the horse, are declining. The typical farmer now drives to the city or larger town 30 miles away more often than to the village only six miles distant.

—Modern conveniences are coming to the farm on the heels of rural electrification. About two thirds of Canada's farms have electricity.

—Public and private investment in farming continues to rise. To sustain such investment the average farm is increasing in size. In the last 30 years, the size of the average Canadian farm has increased by 25%. The number of irrigated acres increases every year.

What is the outlook for the future?

Farm income seems to have stabilized. It was about the same in 1955 as in 1954, probably will be much the same again in 1956 (depending, of course, on the weather and factors like the incidence of plant and animal diseases).

Wheat

There is no solution for the wheat surplus in sight. The nation's wheat and flour exports aren't likely to decline. Nor are they likely to make much of an impression on the vast store of wheat piled in the towering wooden elevators in rural areas, in the great grain terminals, in farm fields, deserted houses, skating rinks and barns.

Following a good (500 million bushels) 1955 wheat yield, the Canadian wheat carry-over next July 31 should exceed 550 million bushels.

Canada would like to see European nations reduce their protection of their wheatgrowers; it would like to see the U. S. refrain from price-cutting deals to sell surplus wheat. But it doesn't expect either to happen — at least not in the near future.

It will try to sell more wheat to Communist nations, possibly at special prices.

Other Grains

Supplies of Canadian feed grains in 1955-56 are up about 10% from a year earlier and 22% above the 10-year average.

A problem is the fact that, although U. S. has removed oats and barley import quotas, Canada still cannot ship these grains freely south of the border. If such shipments rise above the old quota levels, it is felt certain the quotas will reappear.

Nevertheless, Canada has good markets for coarse grains in Japan and Europe. It also will feed greater quantities to livestock during 1956.

Canadian oats crop in 1955 was 420 million bushels, barley about 260 million.

Livestock

All Canadian farm observers agree that the trend in Canada is for farmers to switch from grain to livestock.

During 1955, hog and cattle prices were comparatively low but heavy consumption and marketings kept income from livestock fairly stable.

Livestock income (excluding poultry) in the first nine months last year was about $500 millions, slightly lower than the same figure for 1954 and slightly higher than 1953.

Prospect for 1956 is for continued low prices and heavy marketings, fair exports to the U. S. and — just possibly — some export of pork products to Europe.

Poultry and Eggs

In recent years, mass production has come to the poultry industry. Automatic feeding devices enable one or two men to produce many thousands of young broiling birds every year. Prices have been attractive to the consumer.

Farm cash income from poultry and eggs in the first nine months of 1955 was about $160 millions, about the same as the year before and $15 millions below the same period in 1953.

Dairy Products

Canada will produce 17.5 billion lb. of milk in 1956. Increasing demand for concentrated milk will become an even bigger factor.

Butter and cheese production should balance demand. However, Canada has had a troublesome butter surplus in government hands which has been available for export at cut-rate prices. Canadian cheddar cheese enjoys a premium market in Britain; cheese imports into Canada are tending upward.

Fruits, Vegetables

Apples and potatoes are problems. Apple yield in 1955 was up 30%, potato output rose about 20%.

Apple prices are very low, looking for export outlets. British Columbia — because of its high quality and excellent marketing techniques — has little problem. But Nova Scotia has a seriously large surplus.

Otherwise, Canada's supply and demand for fruit and vegetables has been fairly well balanced at average prices.

Others

In this classification are many crops which help lend stability to Canadian agriculture.

Tobacco is a big export crop. Produced largely in Southern Ontario it is usually worth around $60 millions yearly. The tobacco men raise mostly a high-quality flue-cured product, depend on the British market. Due to a poor crop in 1955, supplies are tight.

Flaxseed supplies and prices have been at high levels. The flax-growers have had by far their best year — $16 millions income in the first nine months of 1955 and many millions more since.

Production of registered and certified cereals, flax and hybrid corn has been tending up, as Canadian seed growers supply more of the U. S. market.

The sugar beet crop is worth about $14 millions yearly; clover and grass seed about $10 millions; maple products $5 millions to $8 millions; honey around $4 millions.

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Brazilian Hydro Electric Company, Limited
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Société Anonyme du Gaz de Rio de Janeiro
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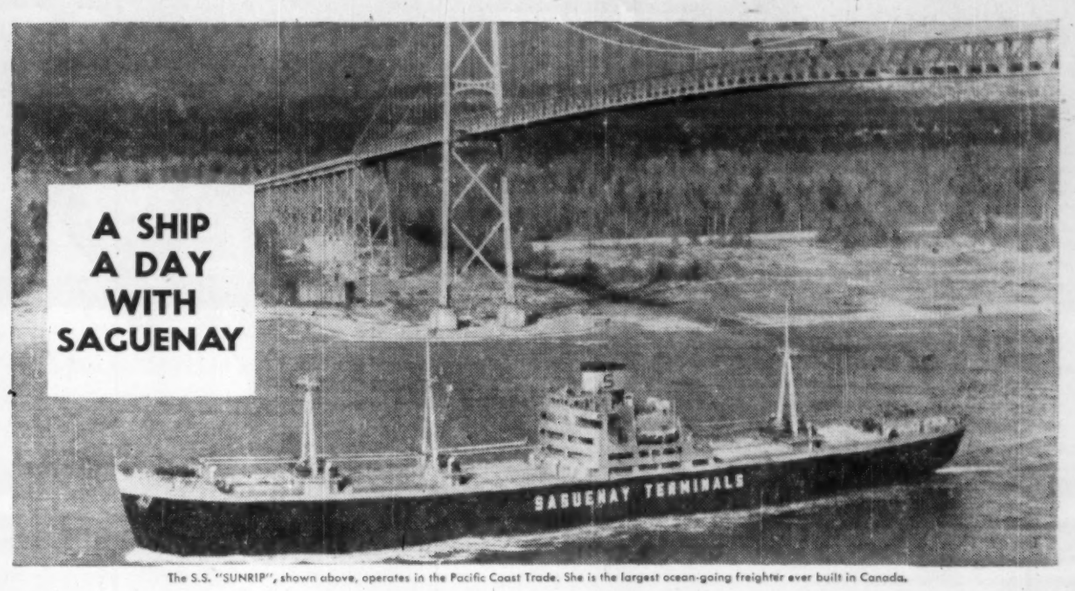

The S.S. "SUNRIP", shown above, operates in the Pacific Coast Trade. She is the largest ocean-going freighter ever built in Canada.

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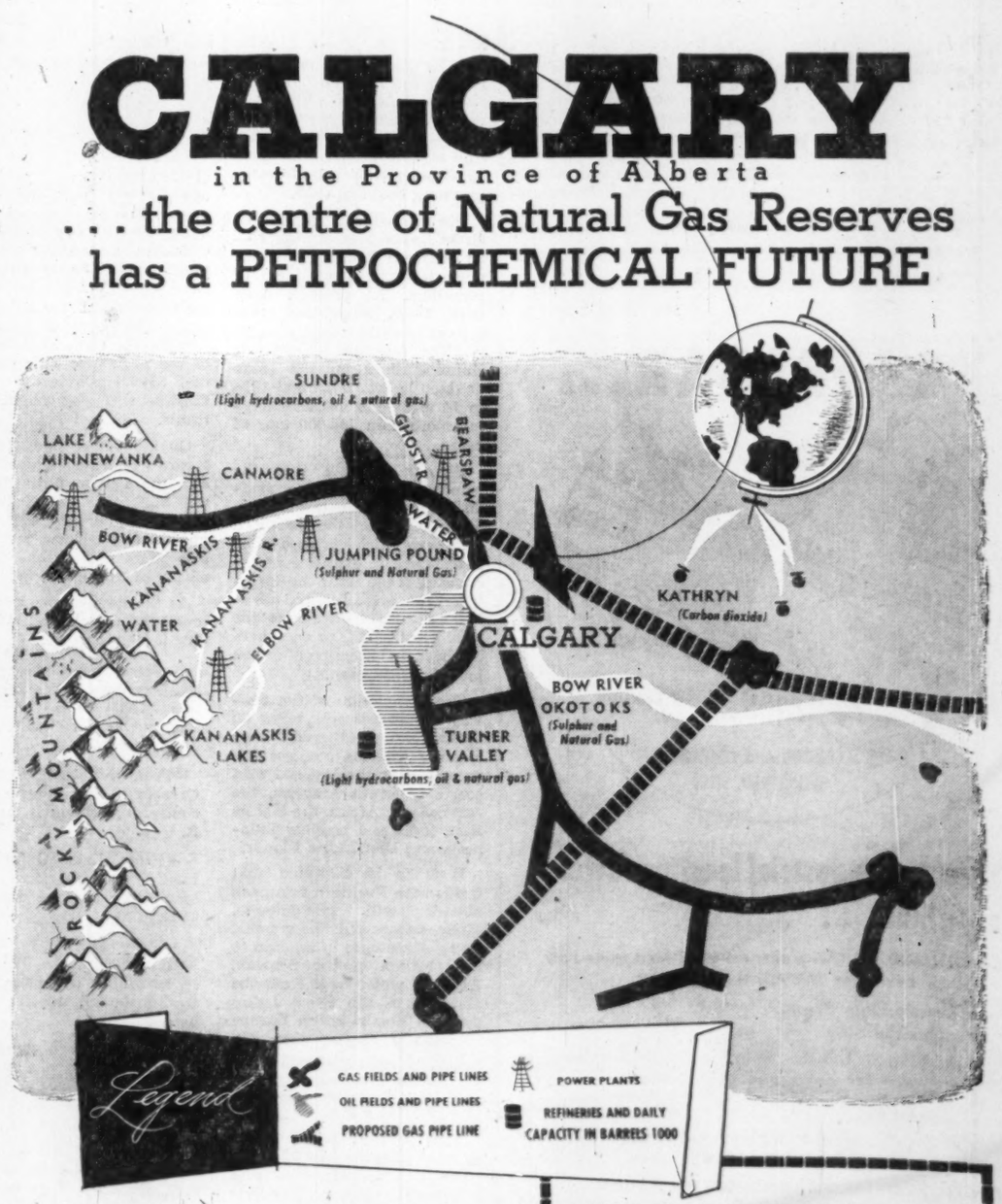

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World Shipping Eyes on This New 1,200-Mile Waterway

U.S.-Canadian Seaway-Power Project Will Open New Vistas

ONE OF THE biggest engineering projects of recent times is taking shape along a 1,200-mile section of the Canadian-United States border. It has significance for every trading nation in the world and is expected to bring radical changes in the economies of a large and thickly populated section of North America. And, already ahead of schedule, it may be operating at least a year sooner than originally expected.

The St. Lawrence Seaway—a $900-million, five-year international undertaking, jointly sponsored by Canada and the United States, has been building for nearly 18 months and is already changing the face of many square miles of countryside. Large sections of the mighty St. Lawrence River have been dewatered, about 100 miles of highway and railway are in course of relocation, and whole communities are moving into new homes out of a 1,000-sq.-mile area which is to be flooded. And all this without interruption of normal traffic on the waterway.

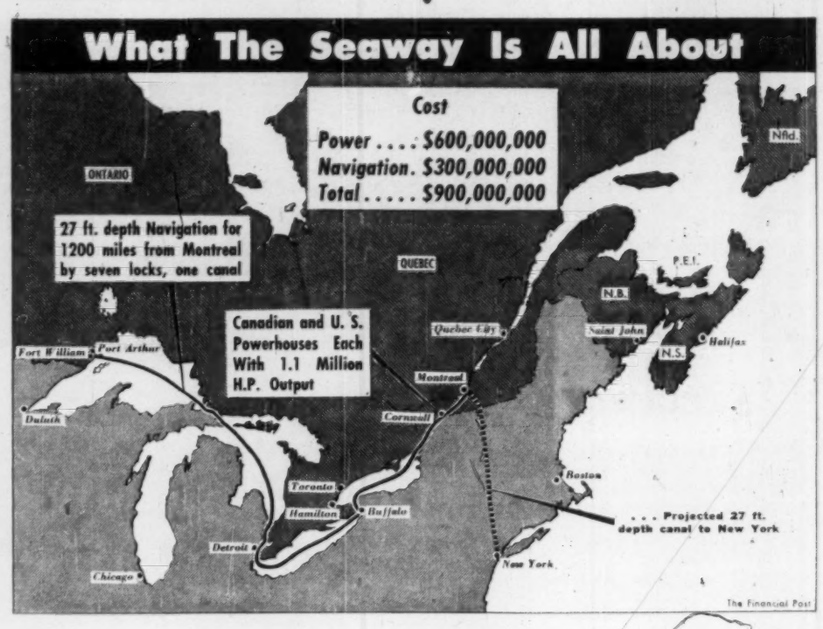
On either side of the great river and lakes, large cities like Toronto and small towns like Prescott are planning and preparing for a new commercial era, land values are climbing, and industries are starting to calculate the advantages of direct access to the Atlantic Ocean. For when the project is complete, ocean-going ships up to 765 ft. long with 75-ft. beams will be able to bring the commerce of the world direct into the heart of industrial North America for the first time.

It is difficult to over-estimate the importance of the Seaway project in providing deep-water transportation nearly half-way across the continent. Over 60% of Canada's population is located in the provinces of Ontario and Quebec adjoining the Seaway, and those two provinces account for nearly 80% of Canada's manufacturing and processing capacity. Eight states adjoining the Seaway on the U. S. side contain 35% of the U. S. population.

And the Seaway will permit the movement by economical water transport of many of Canada's rich though widely scattered natural resources to industrial regions adjoining the waterway as well as to other North American and overseas markets.

Navigation and Power

The Seaway scheme is a joint project by two United States entities and two Canadian entities with Canada paying slightly more of the total cost than her opposite number. It consists of the creation of a 27-ft.-deep waterway (at present 14 ft. minimum) from Montreal up the St. Lawrence and through to the head of the Great Lakes, coupled with a scheme to harness part of the international section of the river for 2.2 million hp of electrical energy. It represents the third progressive improvement of the route in little over a century. And with its completion, ocean-going ships of substantial size will be able to navigate 2,200 miles into North America from the mouth of the St. Lawrence.



The interior Great Lakes system of water transportation has already been developed to a highly efficient degree for the carriage of bulk items. Wheat and other grains, for instance, move in great volume from the Lakehead to various points in large lakers. But, for the last 300 miles to ocean ports, the cargoes must be trans-shipped to small canallers capable of negotiating the existing 14-ft. depth St. Lawrence canals or to the railways. The change-over, which the Seaway is expected to cut out, doubles the transport cost.

The shipment of iron ore is another big-scale traffic within the confines of the Great Lakes. It comes from ore bodies in the famous Mesabi Range and moves from the western end of Lake Superior to the large industrial markets of the U. S. and Canada which border Lake Erie and Lake Ontario.

But demand for high-grade ore is rising and suitable ore bodies in the Mesabi Range are being rapidly used up. With the Seaway, Canada's abundant ore in Labrador can be shipped to those markets and be competitive. By enabling the Labrador ore to move up the St. Lawrence without costly trans-shipment, the Seaway could assist substantially in developing a market for 10 million tons per year which is the basic minimum production reckoned to be necessary to justify large-scale exploitation of the Labrador discoveries.

How Trade May Grow

It's estimated that total traffic using the Seaway in the years immediately after its completion will carry around 30-35 million tons of cargo a year as against the present 10 million tons. Of this, internal North American trade is roughly estimated to represent 85% — about 60% grain and iron ore movements and some 25% petroleum and forestry products, coal and coke.

The remainder would be Great Lakes-overseas trade — an estimate kept deliberately modest because of lack of precedent. At present, even with 14-ft. navigation, that type of trade is growing rapidly. The number of overseas shipping lines on the route doubled betwen 1952 and 1954 to 14 using 120 vessels carrying more than 780,000 tons of cargo.

Figures indicate that the principal trade route for traffic has its eastern terminus in Europe. While the northern European districts predominate, there is evidence of increasing trade with the Mediterranean area. Limited services are also operating to the west coast of Africa and there has been an extension of routes into the Caribbean.

The completion of the Seaway should not only bring an intensification of trade over existing arteries but possible extensions to the east and west coasts of South America, the east coast of Africa, the Middle East, India and possibly Indonesia and East Indies islands.

It is to be expected that traffic with Northern European nations will predominate. These nations offer the greatest route advantages in relation to the position of the Seaway. Also the water haul from the majority of the Great Lakes ports to Northwestern Europe is actually shorter than the combined railway-ocean shipping routes involved in transport from the Great Lakes via U. S. coastal ports.

It is in this aspect of the Seaway development — Great Lakes-overseas trade — that world-wide shipping interests are likely to find their most promising market, says Lionel Chevrier, chairman of Canada's St. Lawrence Seaway Authority.

Overseas Scope

The Seaway traffic in total, like that now flowing on the Great Lakes proper, will consist predominantly of bulk items of internal Canadian-U. S. trade. It is anticipated that these will continue to be carried by North America's inland fleet, augmented as required throughout the Seaway.

For ocean vessels, the rapidly expanding Great Lakes-overseas trade, with its infinite varieties of general cargo, appears to offer the most attractive future. Canadian and American anticipation in this through traffic is currently small and may be expected to increase. But there appears to be ample scope for other world-wide shipping interests of all types.

There is reason to believe that the present volume of this traffic (over 500,000 tons) will more than treble in the years immediately following completion of the Seaway. The Great Lakes-overseas trade now constitutes only an insignificant fraction of the total water-borne trade between U. S. coastal districts and related foreign areas. It could be expanded some 25 times its current level without exceeding the tonnage of similar traffic now handled by ports in comparable U. S. coastal districts.

How Costs Are Shared

The entire project has been divided into two schemes — one Seaway and the other power. The Seaway section is being carried out under the Canadian and U. S. government auspices through the St. Lawrence Seaway Authority for Canada and the St. Lawrence Development Corporation for the U. S. That section of the project is estimated to cost $300 millions of which Canada will pay about two thirds.

On the power side, Ontario Hydro-Electric Commission and the Power Authority of the State of New York are sharing equally in the $600-million expenditure and will also share equally the power output of 2.2 million hp.

As the navigation system is presently constituted, this is how it stands today:

—From the ocean up the St. Lawrence to Montreal — about 1,000 miles — controlling navigation channels are 35 ft. in depth.

—From Montreal to Lake Ontario — 180 miles — the controlling channels are 14 ft.

—From Lake Ontario to Lake Erie — 200 miles — the controlling channel depth is 25 ft.

—From Lake Erie to the head of the lakes — 970 miles — controlling channels are 25 ft. downbound and 21 ft. upbound.

Between the highly developed inland route through the Great Lakes having minimum channel depth of 21 ft., and the ocean port facilities of Montreal lies the 114-mile international section of the St. Lawrence. This international section is only navigable through a chain of outmoded 14-ft. canals capable of handling ships with a maximum capacity of only 3,000 tons.

The opening up of this bottleneck and, at the same time, the harnessing of part of it for a great acquisition of electrical power, is the basic aim of the project. This is where the work is concentrated and it has been divided into five sections. Two of the sections — Thousand Islands and Lake St. Francis — involve only dredging at a total cost of $8.5 millions. In the Soulanges section, there must also be considerable dredging in Lake St. Louis as well as the building of twin locks in flight at Beauharnois.

The major operations of the project are in the other two sections. In the Lachine area, a 27-ft. ship channel along the south shore of the St. Lawrence from Montreal Harbor around Laprairie Basin into Lake St. Louis is to be constructed. Four major rail and highway bridges across the St. Lawrence in Montreal region will have to be modified to provide more clearance for ships. Two locks will take care of the 48-ft. drop in the river between Lake St. Louis and Montreal. Three turning basins will allow free movement to ships in and out of the section.

The key section of the entire project is the International Rapids. This is where the hydro power installations will be located and where a substantial portion of the navigational facilities are being adjusted Ontario and New York State power authorities are doing the job. It includes construction of two huge dams and two powerhouses. One powerhouse will be on the Eastern side and the other on the U. S. side. One of the dams — at Long Sault Rapids — will flood communities on both sides of the river — on the Canadian side for about 30 miles by up to four miles. The other dam — at Iroquois Point — will control the water level and protect downriver interests at Montreal.

There will be side canals to carry navigation round the dams — one on the U. S. mainland to bypass Long Sault and the other on the Canadian side to bypass Iroquois. In addition there will be many miles of diking.

When the work is complete, 20,000 acres of land will have been flooded, two towns and six villages will have disappeared and 6,500 people will be established in entirely new towns. Farmhouses, schools, churches, cemeteries and homes will lie under the waters but will be rebuilt — are already rebuilding — on the new shoreline.

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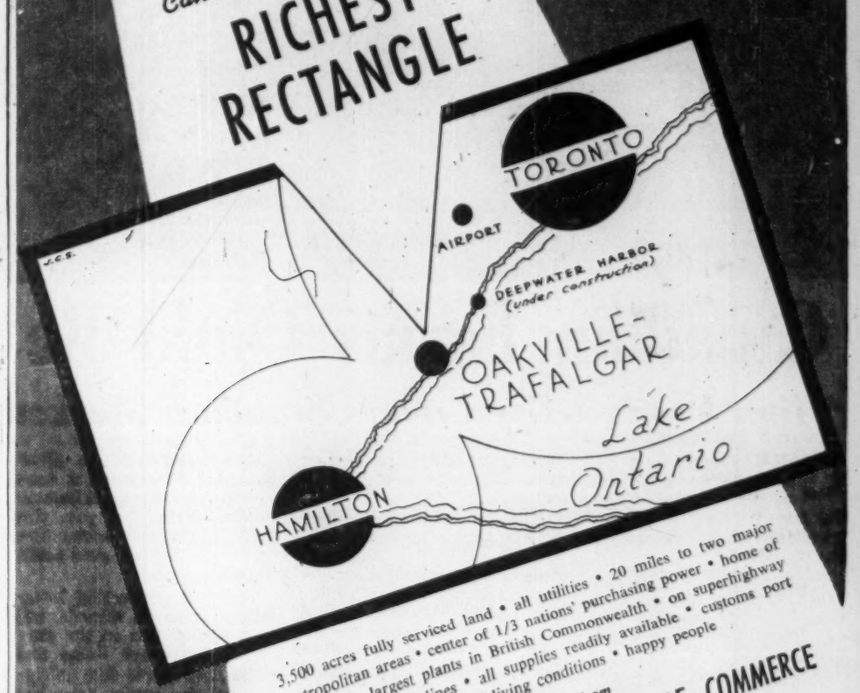

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Some Physical Characteristics of the Nation

Across 3,845,774 Sq. Miles Infinite Variety and Beauty

CANADA'S 3,845,774 square miles of earth, rock and water span with infinite variety the 3,700 miles between Newfoundland's Cape Race and the foggy Queen Charlottes of British Columbia.

They unroll for 3,000 miles from the warmth of Pelee Island, off Ontario's Lake Erie coast, to Cape Columbia, which peers blindly northward across the permanent polar ice nudging the barren shores of Ellesmere Island.

In the land stretched between these outposts are housed nearly 16 million people. Although almost all live in the warmer, less rocky southern belt, Canada remains one of the world's most thinly settled nations.

Her terrain has many faces. They succumb to no descriptive generalities. But behind them all lies the promise of future wealth and growth offered by all great physical resources.

The nation's industrial and financial heart beats in the thickly populated southern slices of Ontario and Quebec. There, along the St. Lawrence River and the shores of Lake Ontario, Lake Erie and Lake Huron, are rich farming lands, rolling hills, an excellent central industrial location, with great power resources nearby.

The Face of the Nation

The four Maritime Provinces — Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island — are the remnants of an ancient mountain range, the Appalachians. Erosion has sandpapered the once-jagged peaks into well-treed hills. Extensive farmlands in all but Newfoundland support livestock, grain and orchards. Increasingly, base metal resources are being uncovered in these eastern provinces.

Deep in the continent's interior are the treeless prairies, a huge triangle set against the U. S. border, its northern edge running from southeastern Manitoba northwest to Central Alberta. Its western boundary is formed by the foothills which rise to the mountain heights on the Alberta-British Columbia border. Beneath these farming plains Canada is uncovering her oil resources.

A belt of tree and bush divides the deep-soiled prairies from the lake-studded rock country farther north and east.

British Columbia is mountain and plateau, with the exception of the northeast.

Beginning at the Alberta boundary, parallel mountain ranges succeed each other until they reach the Pacific. Snaking northwest-southeast between the mountains are fruit valleys and cattle-and-grain plateaus. Rushing rivers plunge through gorges choked with evergreens. Base metal mines are frequent.

These are the areas where most Canadians live. Though they encompass a million square miles they are only a small part of the nation.

Sweeping in a tremendous horseshoe across the nation is the wilderness of rock and water called the Canadian Shield. It includes Labrador; all Quebec but the extreme south; all Ontario but the extreme south and a strip of land bordering Hudson Bay; Northern Manitoba; Northern Saskatchewan; the northeastern corner of Alberta; most of the mainland of the Northwest Territories; parts of the Arctic islands.

Here there are waterpower sites, tremendous gold, uranium and base metal resources, few people, few roads, few railroads.

The wide Mackenzie River area adjoining the mountains and plateaus of The Yukon Territory is an extension of the more southerly plains.

A Varied Climate

The climate varies as greatly as the topography and geology.

Heavy rains and warm temperatures result in luxurious growth and Canada's warmest winters on the west coast.

Once beyond the coastal mountains, precipitation drops sharply, temperatures are much colder, vary widely. That holds true from interior British Columbia across to Southern Ontario.

Then winters become milder, summers remain warm, but are more humid. Rainfall increases.

On the Atlantic coast there is still more rainfall, still milder winters.

Who are the Canadians? There are a few (170,000) of the truly native inhabitants — Indians and Eskimos. But most are of European stock. The breakdown by origin:

About 48% are British; 31% French; 5% German; 3% Ukrainian; 2% Dutch or Belgian; 1½% Polish. Among the remainder are Canadians who spring from every other European country, plus more than 75,000 Asiatics, 20,000 negroes.

By religion, Canadians are approximately 43.5% Roman Catholic; 20.5% United Church; 14.5% Anglican; 5.5% Presbyterian; 3.5% Baptist; 3% Lutheran.

The Weather:

The Sunshine and the Rain Across Canada

MONTHLY AND ANNUAL PRECIPITATION INCHES AND HOURS SUNSHINE

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year	Total Hrs Sunshine
St. John's	4.76	4.83	5.07	9.78	4.90	2.95	2.67	3.62	3.09	8.68	4.96	10.61	*65.92	....
Halifax	5.40	4.35	4.85	4.54	4.14	4.04	3.79	4.38	4.13	5.42	5.31	5.39	55.74	1,835
Charlottetown	3.76	3.01	3.15	2.78	2.66	2.58	2.98	3.35	3.40	4.07	3.75	3.98	39.47	1,857
Saint John	4.28	3.05	3.61	3.22	3.13	3.15	3.03	3.61	3.53	4.01	3.81	3.83	42.26	1,881
Montreal	3.76	3.02	3.46	2.60	3.14	3.43	3.74	3.45	3.65	3.42	3.55	3.58	40.80	1,803
Toronto	2.71	2.43	2.58	2.48	2.91	2.67	2.95	2.73	2.90	2.43	2.76	2.63	32.18	2,048
Winnipeg	0.92	0.86	1.19	1.37	2.26	3.15	3.08	2.45	2.35	1.49	1.12	0.95	21.19	2,124
Regina	0.51	0.35	0.67	0.74	1.84	3.25	2.38	1.76	1.32	0.86	0.60	0.42	14.70	2,294
Edmonton	0.88	0.64	0.76	0.88	1.85	3.06	3.32	2.35	1.33	0.75	0.75	0.81	17.38	2,178
Vancouver	8.57	5.79	5.03	3.34	2.84	2.45	1.22	1.69	3.63	5.78	8.28	8.76	57.38	1,832

*1953 only; St. John's normal annual precipitation is estimated at 60 inches.

Here Are Year-Round Average Temperatures

MONTHLY AND ANNUAL MEAN DAILY TEMPERATURE IN DEGREES FAHRENHEIT

	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Year
St. John's	27.1	27.6	26.2	39.0	40.7	54.0	61.5	57.5	54.2	44.7	39.0	31.4	41.9
Halifax	23.6	23.2	30.4	39.4	49.2	57.9	64.7	64.7	58.6	49.0	38.8	28.2	44.0
Charlottetown	17.8	17.2	26.2	36.4	47.7	57.9	65.6	65.1	57.6	47.6	36.3	24.6	41.7
Saint John	19.3	19.8	28.5	38.6	48.7	56.3	61.0	61.4	56.0	47.0	36.0	24.0	41.4
Montreal	13.8	15.3	26.1	41.6	55.5	65.2	69.8	67.4	59.1	46.9	33.4	19.6	42.8
Toronto	22.6	22.2	30.0	42.2	53.4	63.5	68.9	67.2	59.8	47.9	37.2	26.8	45.1
Winnipeg	-3.1	1.6	15.6	37.6	52.2	62.4	66.9	63.9	54.0	41.0	21.6	6.0	35.0
Regina	0.7	2.0	16.5	37.8	51.0	60.2	64.8	62.2	51.4	39.4	21.3	7.6	34.5
Edmonton	5.9	11.4	23.2	40.2	51.3	57.5	61.6	59.3	50.2	40.9	24.7	13.1	36.6
Vancouver	36.2	38.7	43.1	48.4	54.5	59.6	63.7	62.9	57.2	50.2	43.1	38.6	48.7

The People:

By Provinces . . .

	Land Area Sq. Mi. '000	Population '000 1956*	Population '000 1941
British Columbia	360	1,350	818
Alberta	250	1,110	795
Saskatchewan	220	900	895
Manitoba	220	860	730
Ontario	350	5,230	3,788
Quebec	525	4,540	3,330
New Brunswick	28	565	458
Prince Edward Island	2	110	95
Nova Scotia	20	690	578
Newfoundland	150	415	†
The North. Territories	1,450	30	17
Canada	3,575	15,800	11,504

*Estimated.
†Not a part of Canada.

Major Cities . . .

	Population '000 City	Population '000 Metropolitan	% Growth Since 1951
Montreal	1,300	1,814	30
Toronto	680	1,250	12
Vancouver	390	635	20
Winnipeg	260	382	8
Quebec City	215	316	15
Ottawa	215	305	8
Hamilton	225	275	6
Edmonton	185	215	25
Windsor	130	180	15
Calgary	155	177	28

Their Land

	Population Per Sq. Mile	Cultivated Land Per Capita (acres)	Permanent Pasture Per Capita (acres)
Egypt	1,500	.28	none
Java	1,009	.43	*
Japan	609	.15	.04
Great Britain	539	.38	.60
Italy	405	.81	.27
India	293	.83	*
China	156	.65	.85
Ireland	111	1.05	2.89
U. S.	53	2.94	3.88
Russia	24	2.68	1.48
Brazil	17	.81	3.81
CANADA	4	6.54	3.67

*Not available

Canada Is a Key Supplier Of Free World's Aluminum

(Continued from page 18)

under these contracts. In addition, there is also an agreement with Anaconda Sales Co. for 27,200 tons over the years 1955-1958. It is also undertaken to reserve a minimum of 110,000 tons of primary aluminum for each of the years 1955 to 1959 inclusive for non-integrated fabricators in the U. S.

In addition to supplying aluminum ingot to affiliated fabricating companies, Alcan has supplied primary aluminum in substantial amounts to customers in international markets, particularly in Western Europe, and the British Commonwealth and Latin America. Strong and growing demand from these areas has been witnessed over the past year, and it exceeds company's present capacity to supply.

A current expansion program is expected to provide estimated future capacities of 732,00 tons in 1956, 792,000 tons in 1957, 852,000 tons in 1958, and 912,000 tons in 1959. In 1955 total estimated ingot production fell short of the 650,000 ton year-end capacity by approximately 7%. This loss in production resulted principally from an accidental power interruption of the company's massive new smelter at Kitimat, B.C., early in the year, a shortage of rain fall in the latter part of the year.

Due to the drought in the Saguenay district of Quebec in 1955, water reservoirs supplying the Saguenay Power system were substantially below their normal levels. This resulted in a loss of some 10,000 tons of ingot in the last quarter and it is estimated the shortage will occasion a further loss of 65,000 tons or 10% of total production in Canada this year.

Here is a breakdown in its recent expansion program:

Expansion Plan

In October, 1954, Alcan announced it would proceed immediately to add an additional 150,000 hp generator at Kemano, B.C., to construct two additional potlines to increase annual rated aluminum ingot capacity at Kitimat by 60,000 tons per year. The cost was estimated $45 millions and is being financed by funds of operation and by further investment of $20 millions by Aluminium Ltd. in common shares in December 1954 and February 1955. The construction is presently well under way, facilities for production of the first 30,000 tons of this additional capacity are expected to commence operation in April 1956, with a balance expected to be available in October this year.

In March, 1955, it was decided to add an additional 180,000 tons of rated smelted capacity at Kitimat. This would bring such capacity up to 330,000 tons per annum. It is expected that 30,000 tons of this capacity will come into production at the end of 1956, the balance in successive stages in the years 1957, 1958, 1959. The cost is estimated at $149 millions to be financed as needed but largely by generation of funds from the company operations in that period.

Completion of the projects announced in October, 1954, and March, 1955, will augment smelting facilities at Kitimat to a rated capacity of 330,000 tons per annum with power generating facilities at Kemano to 1.2 million hp of installed capacity.

In October, 1955, it was announced, new smelting facilities would be built at the Isle Maligne, Que., plant to bring total capacity there to about 115,000 tons. It is expected first aluminum from the new facilities will be produced in the summer of 1956. Cost will be about $15 millions.

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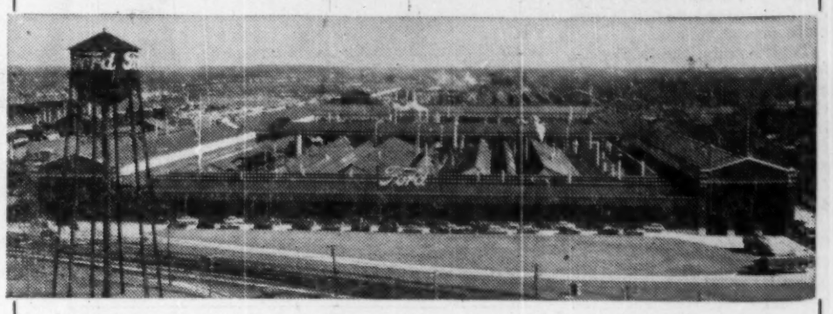

Partial view of Ford's manufacturing facilities in Windsor. Plant 2 in the foreground, the engine plant in the background, and the foundry, at far left behind water tower. These three plants alone contain approximately 1¾ million square feet of floor area.

Fifty-one years ago, Ford Motor Company of Canada began manufacturing in Windsor. Today Ford of Windsor has 67 acres of manufacturing space, and employs over 10,000 persons.

Ford has spent $32½ million in Windsor for new plants and equipment in the last three years. With this huge expansion, Ford has one of the most modern engine and parts plants on the North American continent. From this Windsor plant they supply their domestic and foreign subsidiaries.

Windsor industry is growing fast! In 4 years expenditures for new plants and equipment total close to $172 millions. For the first 11 months of 1955, new plants and expansions averaged more than one each week.

Find out why Windsor industry is growing! For full details about Windsor, Canada's 5th city in manufacturing production, write Murray A. Elder, Industrial Commissioner,

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Dear Mr. Industrialist:

The interest of manufacturers and developers everywhere is turning to Canada. In the Province of New Brunswick exists the newest opportunity for profitable undertakings.

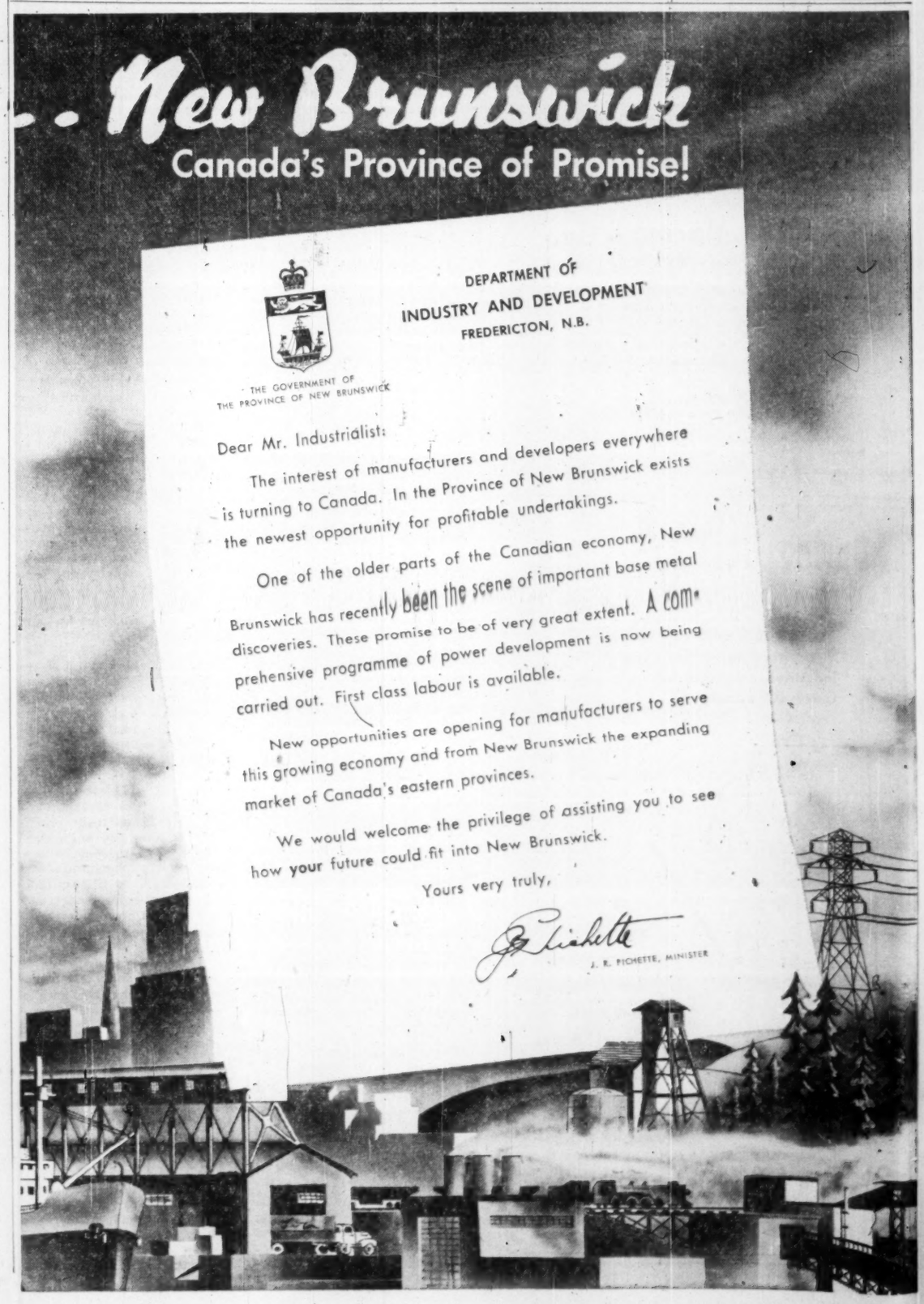
One of the older parts of the Canadian economy, New Brunswick has recently been the scene of important base metal discoveries. These promise to be of very great extent. A comprehensive programme of power development is now being carried out. First class labour is available.

New opportunities are opening for manufacturers to serve this growing economy and from New Brunswick the expanding market of Canada's eastern provinces.

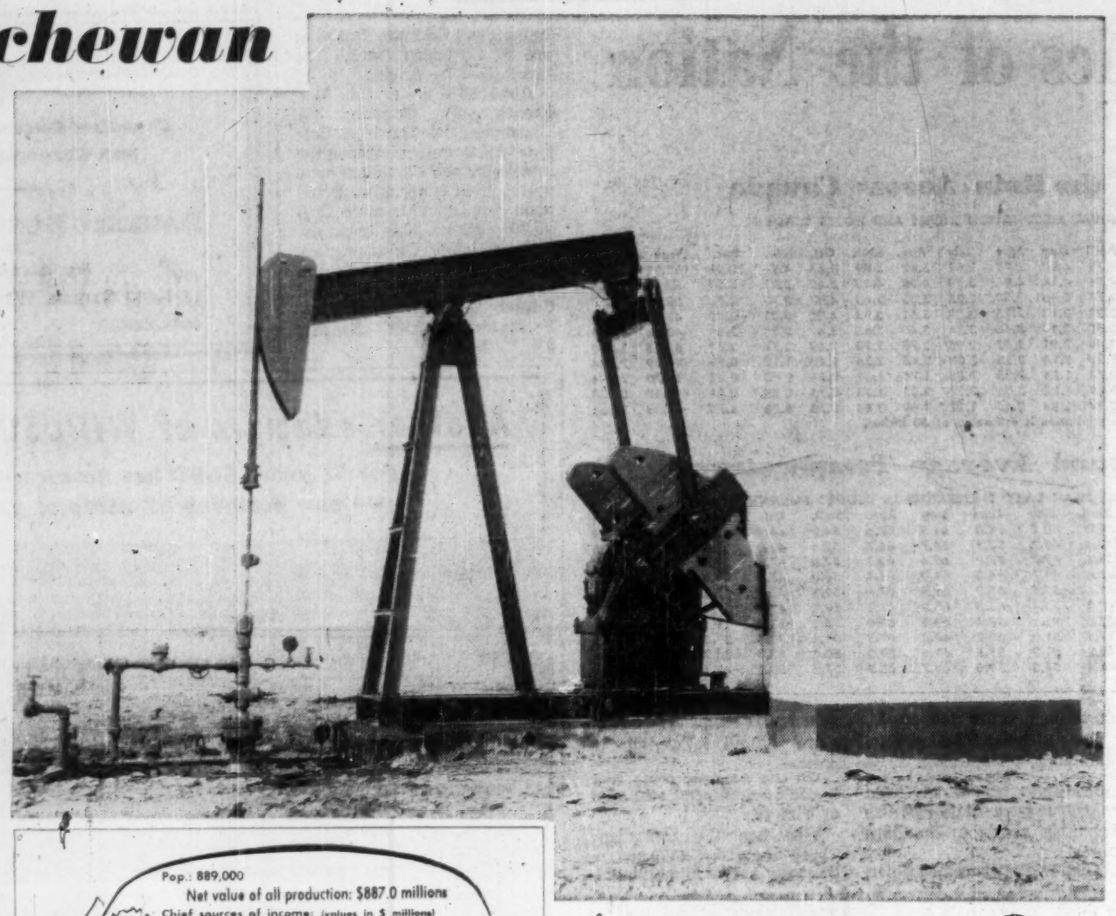
We would welcome the privilege of assisting you to see how your future could fit into New Brunswick.

Yours very truly,

J. R. PICHETTE, MINISTER



Saskatchewan



LANDLOCKED Saskatchewan, a perennial bridesmaid but never a bride — economically speaking — is primping self-consciously this year for its long awaited union with economic maturity.

Saskatchewan is the heart of the Prairie, more than 251,000 square miles of flat or slightly undulating land that is rich in untapped natural resources and, until recently, poor in markets. Recently the province celebrated its 50th birthday and to mark the occasion its citizens and government stood still for a moment to take stock of the past and to plan for the future.

They found: Saskatchewan didn't want to be tied to cyclical crop booms and failures . . . it wanted industry and more people.

Traditionally, Saskatchewan is a bread basket, a grain grower extraordinary. It claims to grow the best wheat in the world and rarely is its claim disputed. It certainly grows it in fabulous quantity. Anywhere from 150 million to 400 million bushels per year.

Now, however, there is an industrial stirring in Saskatchewan. This province has flexed its manufacturing muscles and it likes the feel of the economic strength it senses.

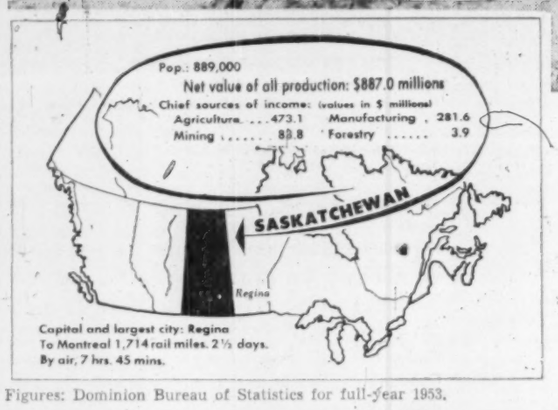
There is industry in Saskatchewan and in growing quantity. Mostly it is tied to the province's bountiful natural resources, a source of concern to some despite the existance of a vast trove of resources as yet untouched.

Gradually, however, Saskatchewan is losing its complete dependance upon wheat and other grains for its livelihood. This year, oil production and processing and mining portend to be the glamour industries of Saskatchewan and for the future there's the prospect of another natural resource industry: pulp and paper.

Prairie Saskatchewan's interest in sources of income other than grain stems from the double - barreled grain economy hazard of yield-market. If yield goes down—so does cash farm income. Even when yield is satisfactory, though, markets may be hard to find and cash income goes down anyway.

That's what happened last year and the prospect for '56 remains unchanged.

Saskatchewan grain production in 1955 was well above average, though it was below the production of the province's peak years 1952-3. In '55, wheat production was 298 million bushels, oats was 135 million bushels, barley was 104 million bushels, rye was 8.2 million bushels, and flax was 13.6 million bushels.



Figures: Dominion Bureau of Statistics for full-year 1953.

Despite this good crop, farm cash income in the province took a decided dip primarily because wheat was hard to sell.

Livestock and dairying also form a solid chunk of Saskatchewan's farm income pattern. Last year meatpacking volume increased substantially, while butter and cheese production remained at its 1953 levels.

Apart from agriculture, however, Saskatchewan continues to enjoy the most expansive period in its economic history. As the centre Prairie province it is the bustling hub of a newly-florishing Western Canada market and its potential appears increasingly bright in view of its abundant supply of raw materials from a reservoir of latent resources that is so vast not even Saskatchewan is fully aware of its extent.

HON. T. C. DOUGLAS
Premier

Having passed from a purely agrarian phase of growth, the province is beginning to feel as proud of its slice of Pre-Cambrian rock in the north as it once was of its rich soil to the south.

Today, it is a province of spreading oil fields and refining centres, of a multimillion dollar mining camps, of extensive pulp-wood forests, and rising factories.

During the past decade, Saskatchewan factories have produced goods valued at more than $2,000 millions. Output of manufacturing industries went up from a gross value of $175 millions in 1944 to $282 millions in 1954. Wages and salaries paid industrial employees rose from $18 millions in '44 to $34 millions 10 years later.

D. F. H. BLACK
Director Industrial Development

Among new plants opened or scheduled to open soon:

— An $8-million cement plant on a 300-acre site near Regina. Production will begin in Aug. '56 and capacity will be 850,000 barrels per year.

—A $3 million transmission pipe plant to supply the oil and gas industry on a 300-acre site near Regina. Production of electric resistance weld pipe will begin in spring '56. Initial production will be 3,000-4,000 tons per month.

—A $1.2 million tile products factory at Regina on a 10-acre site. Plant will use Saskatchewan clay to produce sewer pipe, flue lining, vitrified tile and other vitrified products. Production will begin in mid '56.

—Two $300,000 construction products plants at Regina. Both will make lightweight aggregates for use as gravel substitutes and as material for building blocks. One plant began operation late in 1955 and the other is reaching completion now.

—A $25 million uranium ore refining plant began production in September in the Beaverlodge area in the northern sector of the province.

—A $50,000 alfalfa dehydrating plant equipped to produce 2,000 tons of dehydrated meal per growing season began operations in June.

—A $1 million oil refinery expansion was completed at Moose Jaw.

Other major programs completed were: a ceramics workshop at Regina, a fire brick plant at Claybank, a light aluminum fabricating plant at Moose Jaw, a pre-cast concrete factory at Saskatoon, two major auto warehouses and a $2-million department store warehouse were completed at Regina and at Saskatoon a large - scale poultry killing and evisceration plant went into production.

In building, Saskatchewan has led Canada in its rate of construction during the past four years. Dominion Bureau of Statistics figures show that the value of construction in Saskatchewan has increased 78% during the period.

Value of work performed by the construction industry within the province was $21 million in 1941. This jumped to $119 million in 1950 and in 1955 it was past the $275 million mark.

Included in the 1955 construction totals were several low rental housing developments and two hotels. This year, construction projects include an airport terminal building for Regina and a large-scale municipal road - building program. The road - building project involves a 12,000 - mile grid system of all-weather gravel main market roads which will cost some $50 millions.

Even sagging agriculture came in for a substantial share of building. A $3.2 million program for enlargement and improvement of a widespread grain elevator system has begun.

Oil, Gas Growth

It is in the fields of oil and gas, however, that this middle Prairie province is really flexing its muscles.

Crude oil production for 1955 reached a record 12 million barrels, almost double the output of the previous year. At Dec. 30 the province had 1,646 oil wells capable of production and 130 gas wells. During the year more than 1,000 wells were drilled.

Gas production last year set another record. It was 10.8 million cubic feet, an increase of 124% over 1954.

With oil fever spreading across the province, there has been a brisk demand for oil and gas drilling reservations. In September, successful bidders paid a total of more than $580,000 for four blocks of land in the southeast corner of the province. The sale involved some 33,000 acres in the areas of Coleville, Frobisher-Steelman, Stoughton, and Glen Ewen-Carnduff.

Saskatchewan's rise to the status of a major oil producing centre has been reflected industrially, particularly in the refinery field. Capital city Regina is now rated Canada's fifth largest refinery centre.

The Saskatchewan Power Corp. first entered the field of natural gas distribution in 1952 and its main function since that time has been the building of a pipeline network. Westcentral Saskatchewan was first served, and by 1953 the lines were into Saskatoon. By mid '55 a 110 mile line from Saskatoon to Prince Albert to the north had been completed.

This year work will begin on a natural gas network covering the southern part of the province to serve the centres of Moose Jaw, Regina, Weyburn, and Estovan.

Some of the industrial glamour, however, is being taken from the oil and gas industries by a newcomer: potash mining.

There are vast potash resources within the province, and studies are being made now that may result in a $20 million potash recovery industry.

Rich Uranium Prize

Another glamour industry, of course, is uranium mining.

Four hundred air miles beyond the northern rim of urban settlement lies the rock, lake, and muskeg wilderness of the PreCambrian Shield. This remote area has been the sporadic hunting ground of prospectors for nearly 50 years. Its prize catch has become uranium. To date some $100 millions has been spent for exploration, diamond drilling, and capital expenditure in plant and refining facilities. Six companies are producing uranium and others are rapidly reaching that stage.

Eldoraro Mining & Refining Ltd., a federal crown company, has been producing uranium concentrates since 1953. Last September Eldorado announced plans to increase its 700-ton-per-day output to 2,000 tons. The increased capacity will be ready by 1957 at a cost of $12 millions.

Another producer is Gunnar Mines which went into production in September. Gunnar's $25 million mill will be fed from an orebody that is valued at an estimated $130 millions.

Saskatchewan also is rich in other minerals. It has reserves of 200 million tons of sodium sulphite, used in the paper and glass industries, and value of production neared $3 millions last year. Coal reserves are estimated at 24,000 million metric tons and production this year should reach a value of more than $4 millions.

Valuable clay resources are another part of Saskatchewan's diversified mineral supply. Deposits of brick and pottery clays are scattered throughout the southern half of the province. Among the clay types found are Kaolin clay and swelling and non - swelling bentonitic clays.

New Forest Inventory

For the future, however, Saskatchewan also looks to its forests. Three-fifths of the province is timberland. A forest inventory, which will be completed this year, has established that more than 25 million cords of pulp-valuable spruce is available for paper making.

Currently, forest utilization is but a minor industry. It should reach a value of some $10 millions this year. That figure will be increased substantially, however, if and when steps are taken toward establishment of a pulp and paper mill.

Among the province's other industries are fish and fur. Fur production consists primarily of beaver and muskrat, valued at some $4 millions last year. Fresh water fisheries accounted for revenue of $1.3 millions.

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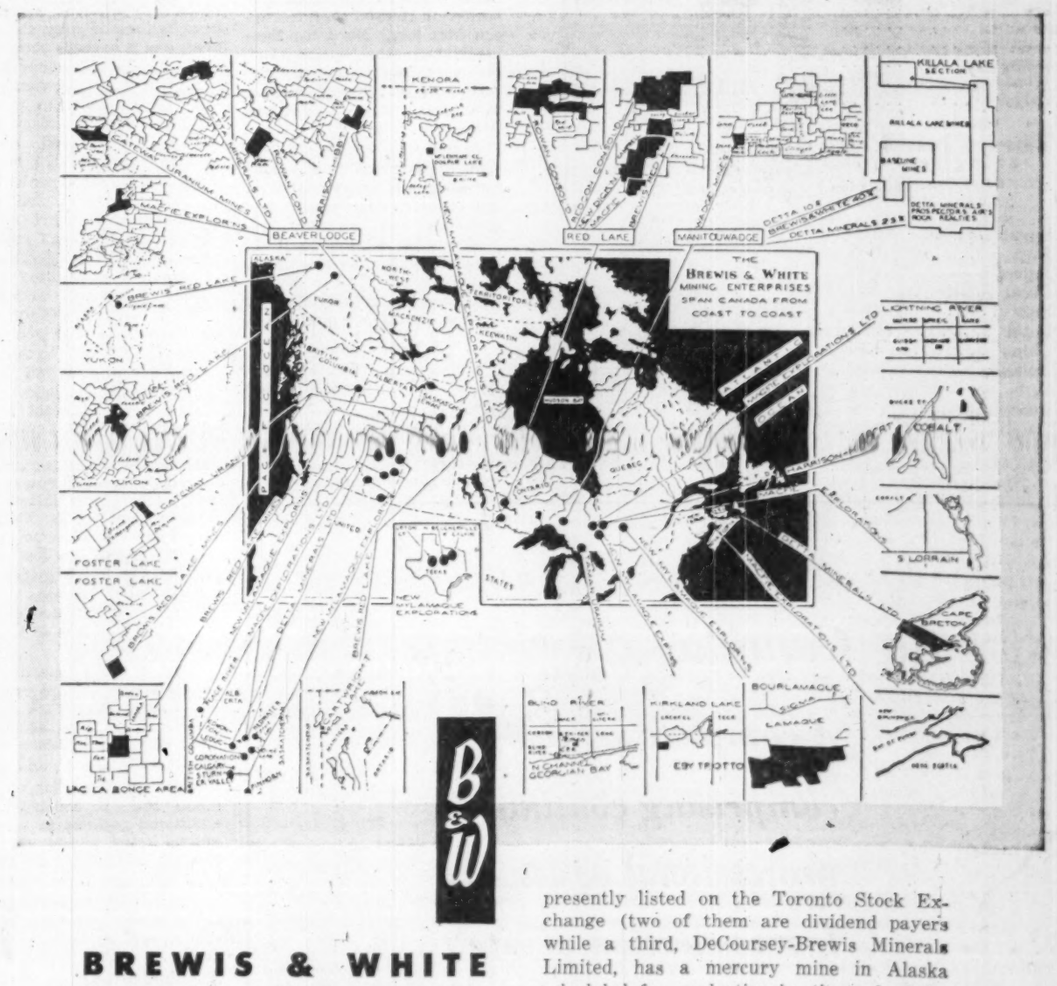

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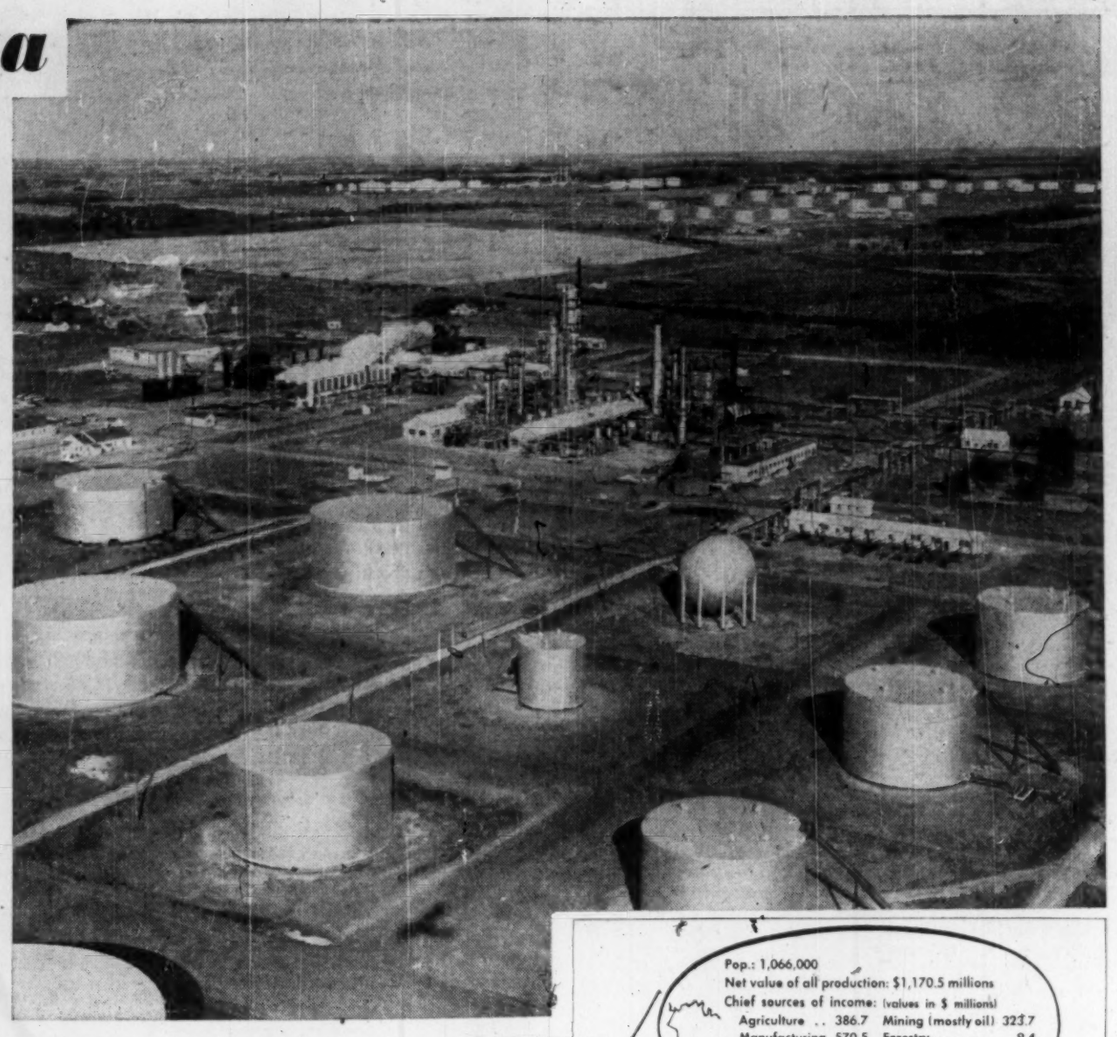


ALBERTA'S fast - paced postwar development has established a sound and diversified economy for the foothills province virtually overnight in place of its former overdependence on world demands for its agricultural production.

Keys have been oil and natural gas, basis for rapid expansion in manufacturing. But the fat farms, too, have prospered in postwar years.

An important factor in Alberta's industrialization is the realization that manufacturing is becoming economically profitable. There is a growing market west of the Great Lakes.

At a recent hearing of the federal Royal Commission on Economic Prospects for Canada, the Alberta Government predicted major growth immediately ahead.

It is estimated the population of Alberta will increase from the present 1,066,000 to 1,850,000 in 1985, largely the result of natural increase. The increase will take place mainly in the urban areas, with the rural population remaining at a figure of 431,000.

Estimates indicate that the gross value of Alberta manufacturing will triple to approximately $1,580 millions by 1975.

Highlighting this industrial growth, it's predicted, will be iron and steel industry which should triple present production to about $100 millions annually, petroleum refining which should also triple to about $270 millions, and chemical and petrochemical production which should rise to about $400 millions. Other industrial groups will increase in proportion to the population.

The relative importance of commodity producing industries is expected to alter significantly by 1975. Mineral (including petroleum) production which now accounts for 16% of the net value will rise to 36%, manufacturing which accounts for 16% will increase to 26% while agriculture which now accounts for 45% will decline to 19%. While there will be substantial increases in the remaining basic industries their relative importance will decline.

HON. E. C. MANNING
Premier

Leading the province's industrial growth in the next 20 years will be the petrochemical industry. This industry, which produces largely synthetic organic chemicals, has grown phenomenally during last 15 years and has become one of Canada's basic industries. This expansion should continue as synthetics increasingly replace natural products.

Alberta now possesses, in terms of capital expenditures, about 40% of the country's petrochemical industry and it is believed that this will eventually rise to 45%. Estimates for Alberta's petrochemicals indicate an industry worth $450 millions by 1975, having an annual production of about $360 millions.

Just outside Edmonton is located the $70 million Canadian Chemical & Cellulose Co. (a subsidiary of Celanese Corp. of America) plant, which is the largest of its kind in the world. Here it produces a wide variety of industrial organic chemicals for civilian and defense needs through a process based on oxidation of liquid petroleum gases.

Alberta's proven oil reserves have jumped from 500 million bbls. at the end of 1947 to 2,500 million at the end of 1955. Production last year hit 312,000 bbls. daily, bringing the year's total to about 114 million bbls. worth over $285 millions, $60 millions more than in 1954.

There is also enough natural gas within the province to keep the whole of Canada supplied for the foreseeable future.

The Outlook for Oil

Estimates indicate that by 1980 the production of oil will triple, that of natural gas increase 14 times and that of natural gas liquids expand 15 times. This expansion will require considerable capital expenditure for exploration, additional pipe line and refinery capacity and the drilling of some 40,000 to 50,000 additional wells to tap reserves conservatively estimated at 12,000 million bbls. of oil and 60 trillion cu. ft. of natural gas. The remaining developed reserves at the end of the period would be 4,200 million bbls. and 35 trillion cu. ft.

Should Alberta's reserves begin to dwindle there are an estimated 100,000 million to 300,000 million bbls. of crude oil in the Athabasca oil sands. However, there is little incentive to develop these sands while oil - well production continues to increase, but they could supply Canadian requirements long after the more accessible sources have been depleted.

HON. A. R. PATRICK
Economic Affairs Minister

The world's longest pipeline, 1,765 miles long and costing $200 millions, links the Alberta oilfields to the big refineries of Ontario, while another going to Vancouver connects them with the coastal refineries.

Investment in Alberta oil refining in the last nine years has amounted to over $55 millions. Edmonton, which had no refining capacity in 1936, is now the largest refining centre in Western Canada. Here is located Imperial Oil's $13 million lubricating oil plant. Recent refinery development includes North Star Oil Ltd.'s new $2.5 million refinery now under construction at Grande Prairie, and the completion last year by Nuco Refinery Ltd. of a $450,000 oil cleaning plant at Lloydminster.

While petroleum and natural gas will undoubtedly dominate energy production in Alberta, a substantial recovery is expected for its coal industry, whose production declined to 4.4 million tons worth $24 millions in 1955, from 4.9 million tons worth $26 millions in 1954.

Although no immediate relief is expected from its difficulties, resulting from changes in consumer habits, after 1960 coal production will increase to some six to eight million tons annually, to meet an increasing demand for electric power and industrial heat.

Production may increase further still because technological advances may make it attractive to use coal for home heating and eventually for the production of chemicals. Developments of this kind would become particularly important if power generation and the production of chemicals could be integrated as in Texas.

Alberta has known coal reserves of about 48,000 million tons, or 50% of Canada's total. However, this is a conservative estimate since petroleum and natural gas surveys are revealing additional coal deposits.

Alberta's electric power needs are expected to increase from 1,620 million kw. generated in 1955 to about 8,648 million kw. in 1985. Not only will the electrical requirements increase but there will be significant changes from the present production system.

R. MARTLAND
Industrial Development Director

While some 57% of the total power generated in 1955 was estimated as being derived from hydro, 40% from gas and only 3% from coal, comparable estimates for 1985 indicate that 46% will be derived from hydro, 12% from gas and 42% from coal.

Last year Calgary Power Ltd. completed the construction of two hydro plants with a total output of 20,000 kw., while the City of Edmonton installed generating units having an additional 30,000-kw. capacity. Due for completion this year are Canadian Utilities Ltd.'s 32,000-kw. coal fired plant at Battle River and Calgary Power's 66,000-kw. gas-fired Wabamun steam plant, costing $8 millions. This is part of Calgary Power's $50 million five-year expansion program.

While the relative importance of agriculture in Alberta's economy has declined it still accounts for over one quarter of its income, the estimated farm cash income for 1955 amounting to $382 millions.

During the past year 52 industrial firms completed the construction of new plants or anticipated their completion this year. Edmonton, the capital and largest city, and Calgary, the next in size, were the main centre of this extraordinary development.

Among developments in the Edmonton area were:

—Opening of a $2 million steel plant, the only one of its kind between Vancouver and Winnipeg.

—Completion of a $13 million lubricating oil plant.

—Completion of two steel-pipe mills valued at $7 millions and $3.5 millions respectively.

—Completion of a $2 million cement plant.

—Altogether seven new industrial buildings were completed during 1955 and 11 more, some of which were begun last year, are scheduled for completion during 1956.

In Calgary during 1955:

—New buildings were opened by 11 manufacturing interests.

—Nine additions were made to existing structures.

—The new industries are turning out such diverse products as fabricated steel, water heaters, industrial glues, ornamental brick and tile, ventilating systems and concrete river weights.

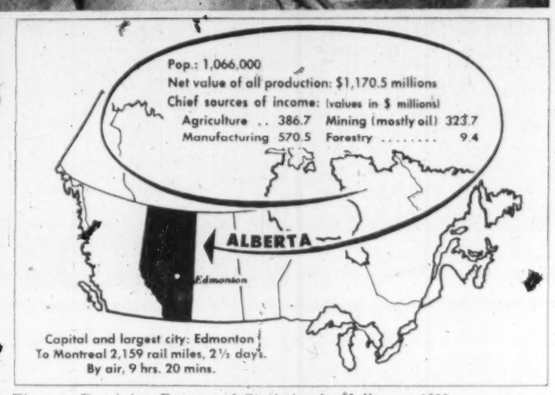
Other centres taking part in this industrial boom are:

— Forestburg, with a $7-million steam - generated power plant to be completed this year.

— Fort Saskatchewan, with completion of Inland Chemicals (Canada) Ltd.'s sulphuric acid plant and Peace River Glass Co.'s glass fibre products plant, together worth over $1.7 millions.

—Grande Prairie, where over $3 millions was spent on new industries and the expansion of existing ones.

—Medicine Hat, where Northwest Chemicals Ltd. are constructing a $26 million plant.



Figures: Dominion Bureau of Statistics for full-year 1953.

—Nevis, where a $3 million gas-absorption plant is scheduled for completion this year.

—Pincher Creek, where Canadian Gulf Oil Co. will construct a sulphur plant, which will deliver elemental sulphur to Northwest Nitro Chemical's plant being built at Medicine Hat.

—Redwater, where a $3 million gas-processing plant will be completed this year.

Doorstep Resources

Alberta has vast quantities of minerals used in the construction industry, including limestone, shale, clay, sand and gravel, present in sufficient quantities to insure a continuous supply. A large deposit of common salt was first developed in 1938 and its production has continued in sufficient quantities to meet the province's domestic and agricultural requirements, and will increase to meet growing demands.

Other known mineral deposits in the province include silica sand, iron and gypsum. Development of these resources will take place when economic conditions make it commercially feasible.

A forest inventory of the province will be completed by the end of March, the portion below the 57th parallel having been completed in 1953. This will make it possible to determine the amount of timber that may be cut on a sustained yield basis.

The inventory indicates that poplar makes up 45% of the timber stands. These stands are now coming into production with the construction of plywood plants and it is anticipated that this production will increase. At present spruce provides 85% of the province's forest production.

Alberta also has large resources of pine timber that it is not using due to the lack of markets for pine products. However, it is hoped that markets will be found to ensure a continuation of over-all timber production.

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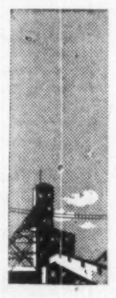

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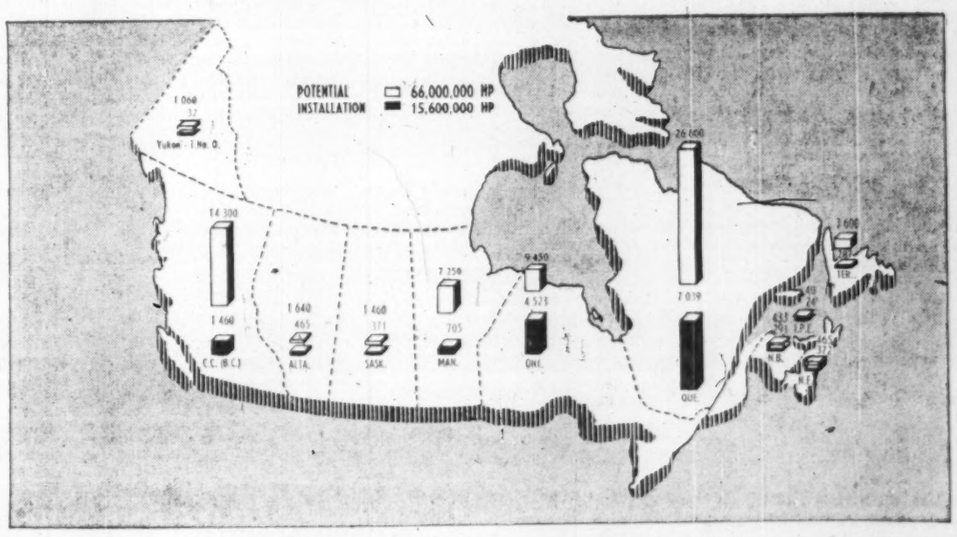

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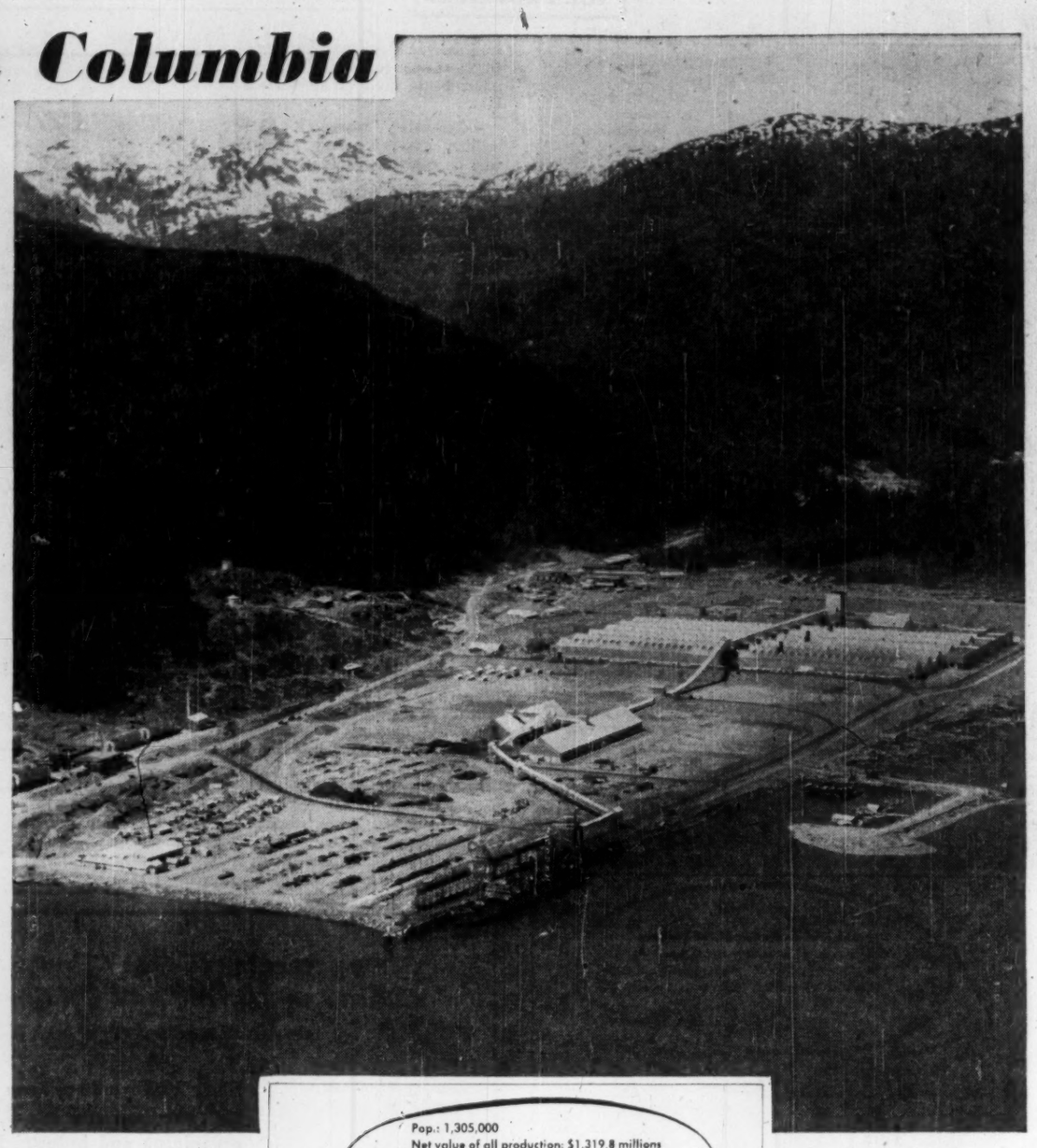


IF YOU want a graphic picture of the extent of Canada's postwar boom, take a look at British Columbia. This Pacific coast province, rich in natural resources and scenic contrasts, is the scene of bustling activity in almost every aspect of its busy industrial and cultural affairs.

Size, variety, location and raw materials are the keys to its success story. Covering a 366,300 square mile area on Canada's West Coast, the province is a natural participant in the nation's overseas trade. Its 1.3 million population provides a good and growing market for manufactured goods and adequate labor force to man the dozens of new industries springing up. Terrain ranging from sub-Arctic mountains with glacial peaks to warm fruit-growing valleys fosters profitable tourist trade, varied agriculture and virtually inexhaustible sources of hydro-electric power.

Under the peaks and valleys lie vast deposits of minerals supporting a mining industry whose output of zinc, lead, copper, gold, silver and industrial minerals was over the $176 million mark last year, up 15% over 1954. Abundant forests employ 70,000 persons with annual payroll of $200 millions and account for 40¢ of every dollar earned in the province. Timber, lumber and pulpwood together had production in 1955 valued at more than $590 millions, 18% ahead of 1954.

From fast-flowing rivers and ocean grounds, the province's fishermen reap a harvest of salmon, herring, halibut and whales valued at some $60-$70 millions each year and sold on world and Canadian markets. B. C. farmers, concentrating livestock, dairy products and fruit raise a cash crop worth more than $100 millions.

The province's manufacturing industries, incorporated at a close to five-a-day rate for the last two years, produced goods worth an estimated $1,600 millions last year. Retail trade totaled a fat $1,380 millions, third biggest among Canadian provinces.

Contracts for a total of $520 millions worth of residential, industrial and other construction during 1955 indicate the extent of the boom in building accompanying the province's expansion. The totals are more than $70 millions ahead of those for 1954. Included are major additions to residential areas, huge new factories and mills, power developments, public works and plant additions.

HON. W. A. C. BENNETT
Premier

U. S. approval late in 1955 of plans to export Canadian gas to the U. S. Pacific Northwest is expected to have a tremendous impact on B. C.'s economy. Under the plan a 650-mile pipeline will tap the big Peace River gas fields in Northeastern B. C. and pipe the gas to the American border near Vancouver. The line will have these initial effects:

—Spending on the line, distribution systems, installations and new gas well drilling will total an estimated $227 millions in the province in the first two or three years of building and operations.

—New, cheap fuel will be made for domestic and industrial use in the B. C. lower mainland, expected to encourage location of dozens of companies.

—An entire new industry based on recovery of valuable by-products from the gas will spring up.

—Important new revenues will go to the Provincial Government from the 15% royalty on gas sales.

Plentiful power, keeping one step ahead of the province's growing demands, has supplied and encouraged B.C.'s industrial growth. Installed capacity by the end of 1954 was 2,379.7 million hp, the third biggest in Canada and the 1.87 hp per capita was the biggest per capita in the nation. And this represents only about 18% of the total potential available.

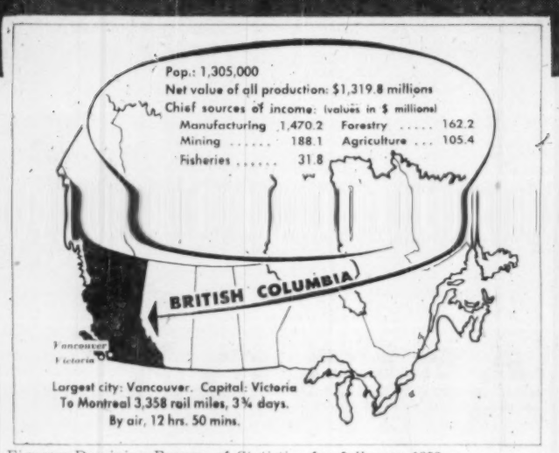
After adding an amazing 50% to installed capacity in 1954, the province's public and private authorities went ahead with projects like these last year:

—A 35,000 hp power plant for the B. C. Power Commission on Vancouver Island.

—A $7.6 million program for new substations and expansion of existing units by B. C. Electric Co.

—A 55,500 hp station on the Fraser River, a 70,000 hp one at Ladore Falls, Vancouver Island and a 5,500 hp unit in the Upper Columbia Valley.

—Laying of a $5 million submarine circuit linking Vancouver Island with the mainland.



Figures: Dominion Bureau of Statistics for full-year 1956.

Power plus woodland resources underlie the emergence of the fast-growing pulp and paper industry in the province, expected to produce more than 20% of Canada's total production within the next five years. New processes making use of previous uneconomic woods have given the province national leadership in waste-wood pulping with more than 70% of total wastewood pulp processed in sulphate pulping.

HON. R. CHETWYND
Minister of Trade & Industry

Investment in the industry totals more than $385 millions, including close to $200 millions in new mill projects begun in 1955. Expansions currently on the books include a $58 million project by MacMillan & Bloedel for newsprint and kraft paper production, a $36 million mill for B. C. Forest Products producing kraft pulp, an estimated $25 millions on expansions of facilities for the Powell River Co. at Powell River, B.C., expansions and additions to kraft pulp, newsprint and paper converting facilities by Crown Zellerbach Canada Ltd., totaling more than $30 millions, $15 millions in additions to the Alaska Pine and Cellulose Ltd. mill at Port Alice and a $30-million sulphate pulp mill for Celgar Development Co., a subsidiary of Celanese Corp. of America.

T. STURGESS
Deputy Minister of Trade & Industry

Tourist trade, capitalizing on some of the world's most beautiful scenery, is taking on major industry status in B. C. Last year, an estimated 1.8 million Canadians and Americans visited the province, spending more than $75 millions, an increase of about 5% over 1954. Year-round occupancy of the 26,000 tourist rental units ran above 60%.

These are among the big scale developments currently under way, indicative of the opportunity B. C. offers right now for further investment:

An estimated $5 millions was spent in 1955 in the first steps of the conversion of whale-shaped Annacis Island into a $150-million industrial estate in the mouth of the Fraser River near New Westminster. The 1,200-acre development, underwritten by Grosvenor Estates, British executors for the estate of the late Duke of Westminster, already has attracted 13 firms and is planned to eventually house 250 factories on completion in about 10 years.

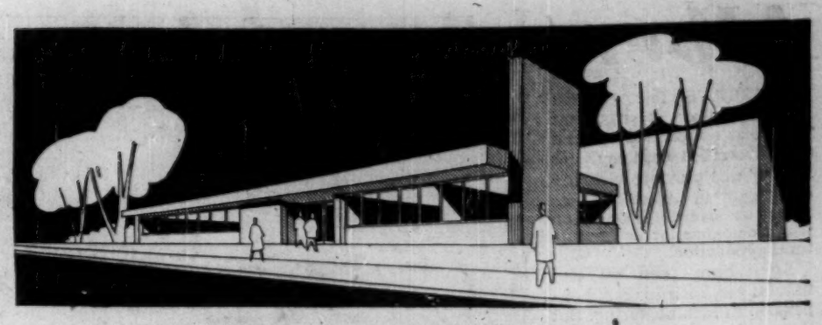
Plans are going forward and the first $50 million chunk of what may eventually be a breathtaking $700 million project involving generation of 4.3 million hp of hydro-electric power to run an industrial complex of cobalt, nickel, iron, manganese and aluminum smelters in B. C.'s northern wilds.

First step calls for construction of a 455,000-hp development on the Naas River, expected to get under way in 1957. Later moves in the scheme, being promoted by a group of companies in the huge Ventures Ltd. enterprise, are slated to be made when necessary clearances are secured from U. S. and Canadian authorities. Among other things, approval will be needed for reversing the northward flow of a 60,000-square-mile watershed through turbine-filled caves into the Pacific Ocean to form an artificial deep-water port.

At Kitimat, 100 miles below the Alaskan border, Aluminum Co. of Canada has completed the first phase of a $500 million aluminum development from the Northern B. C. wilderness. The project includes a town of some 5,000 persons, aluminum smelters aimed at capacity of more than 500,000 tons a year, hydro-electric power to total 2.4 million hp and a complex network of transmission lines.

Other industries expected to be attracted to the area by vast power and pulp resources include pulp and paper, chlorine and a host of secondary manufacturing outlets serving the Northern B. C. market and using the raw materials and semifinished goods to be produced.

Consolidated Mining & Smelting Co. of Canada is putting the finishing touches on a $78 million postwar expansion program, most of it in B. C. The development has involved a new 210,000 hp power plant and transmission lines to company mills at Trail costing $15 millions, a $9 million fertilizer plant at Kimberley with 70,000 tons annual capacity, development of four new mines in Northern B. C. and the Kootenays costing $9 millions.



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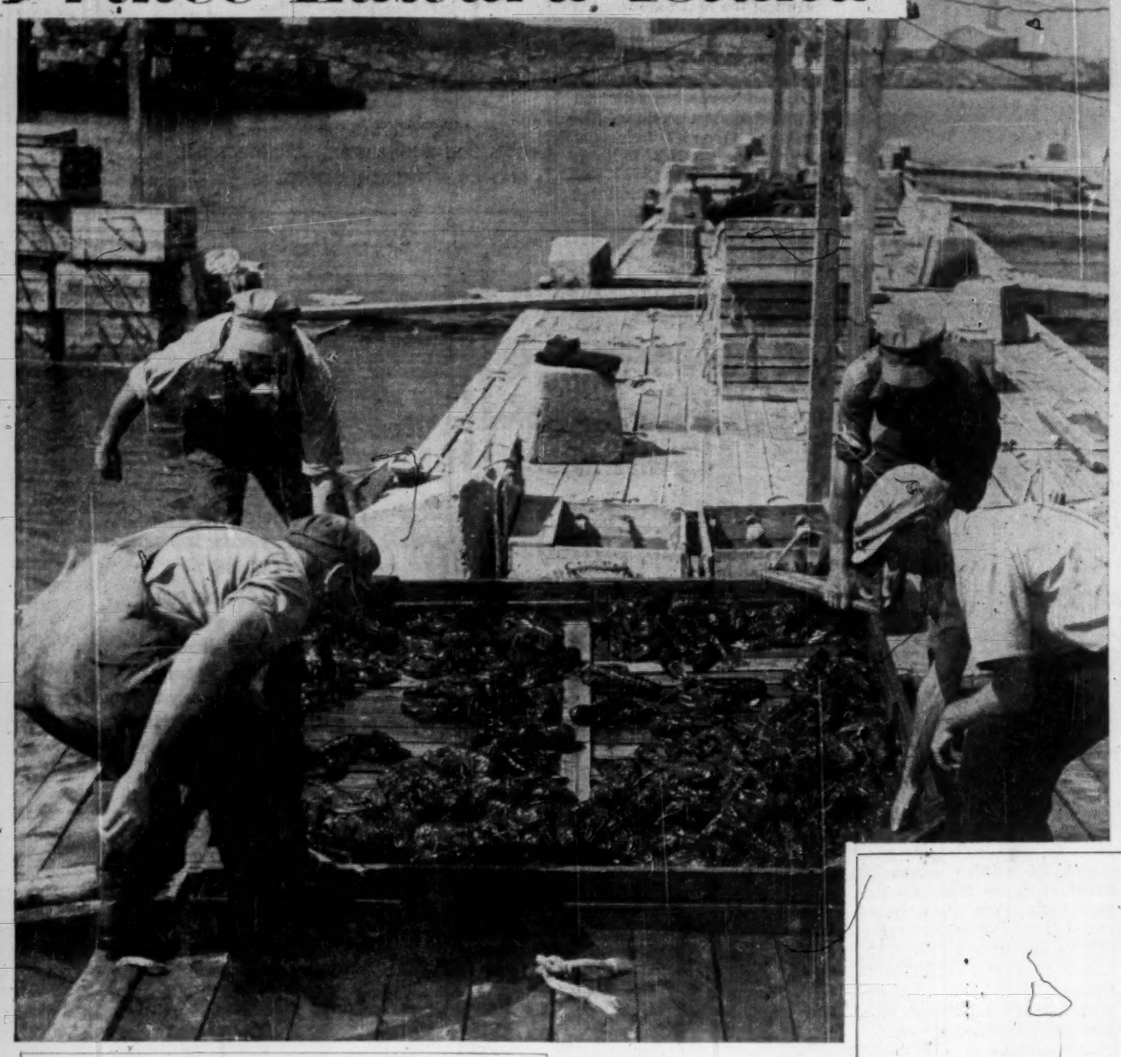
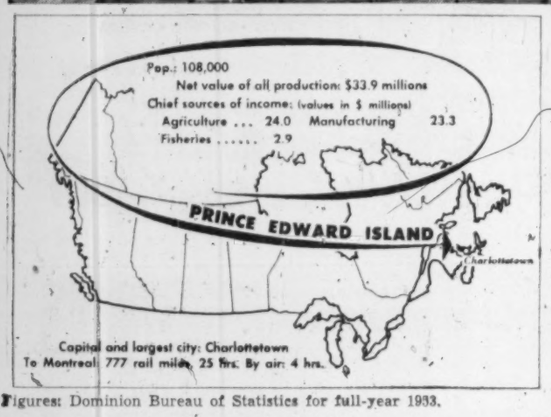
Prince Edward Island





Figures: Dominion Bureau of Statistics for full-year 1933.

FERTILE farms on the rich and distinctively red soil have earned Prince Edward Island, smallest of the 10 Canadian provinces, the nicknames of "Garden of the Gulf" and "Canada's Million-Acre Farm."

Quality is the watchword of the 2,200-square-mile island which, lacking in mineral, timber and hydro-power resources, must rely chiefly on its soil and the harvest from the sea.

Potatoes, both seed and table stock, are the Island's number one crop. More than half of the seed potatoes grown in Canada come from Prince Edward Island. They are sold throughout Canada, and in such varied markets as the United States, the West Indies, numerous South American countries and even as far afield as Africa.

P.E.I. table potatoes also enjoy an excellent reputation and are much in demand in Central Canada, especially the Toronto area. In the year 1954 potato production was 10.75 million lbs.

Prince Edward Island's second-largest industry is fishing. In 1954 Islanders harvested nearly 33 million lb. of fish, clams, oysters, lobsters and other sea products from the waters surrounding the Island. This sea harvest had a landed value of $2.8 millions.

In 1955 a second large fish processing plant was opened on the Island as was a new fish meal plant, the latter described as one of the finest and most modern in the Maritimes.

HON. A. MATHESON, *Premier*

W. E. AGNEW, *Director of Trade*

Construction of special 60-ft. fishing boats (called draggers) started some five years ago when the first dragger was designed to meet P.E.I. fishermen's specific need. These fishing vessels, equipped with the latest electronic aids, have done much to bolster up the Island's fishing industry, only a few years ago ranked but one twelfth the size of the farming industry. Fishermen receive government assistance toward buying the new boats.

Thriving Lobster Trade

The largest single item of income from the fishing industry is contributed by the lobster, caught in traps (called lobster pots) set out on the ocean floor in relatively shallow water along the shore line.

Larger lobsters are shipped both live and in the form of chilled meat to markets, mostly in the United States. The smaller find their way to the Island's 52 canneries where they are shelled, cooked and canned.

The Island is in the process of further developing its harvest of other and particularly the more staple, fish products, by means of research — in biology, ships and methods, both afloat and ashore, and modernization of equipment.

Production of dairy items and bacon hogs is an important segment of Prince Edward Island's agricultural economy. A half-million-dollar plant manufactures spray milk powder, evaporated milk, butter and ice cream. It is one of the larger enterprises of its kind in the Maritime area.

Prince Edward Islanders take justifiable pride in the quality of their bacon. Developed on the Island is a distinct strain of hog (with the uninspired name of Prince Edward Island bacon hog), which Islanders boast leads Canada in the percentage of grade A carcasses.

Because of the province's insular nature, the combatting of animal diseases has been highly successful. P.E.I. can, for example, claim complete freedom of any of the serious cattle diseases.

Flourishing Sheep Industry

Also on the upswing is the province's sheep farming industry. Several strains have been cross-bred in quality seeking experiments and Island flocks today support two woolen mills which produce blankets.

Of growing importance is the tourist industry. With usually sunny summer weather, warm ocean water and miles of beaches, the "Garden of the Gulf" is attracting ever-increasing numbers of vacationers from the United States and Canada. The past year has seen considerable construction of motels and other tourist accommodation and the provincial government is continuing its program of construction and improvement of roads. The province's portion of a trans-Canada highway is rapidly coming to completion.

One of the unusual sea-crops harvested by the Islanders is Irish Moss, a variety of seaweed, lodged on the shores of the province by Atlantic storms. Chemicals extracted from the moss are used in the manufacture of drugs, ice cream and a host of food products.

The annual Irish Moss crop is well over 10 million pounds and in 1953 was valued at a quarter of a million dollars at market levels.

The ranch raising of fox and mink is another of the facets of the province's agricultural industry. In the 1953-54 season, nearly 8,000 fox and mink, valued at $111,000, were raised on fur farms. The Island currently produces one third of the foxes ranch raised in Canada.

Ancilliory and converting industries have clustered around the Island's farming and fishing economy. A fertilizer plant supplies much of the province's needs in this field while numerous canneries can sea and dairy and poultry products as well as berry crops. Smaller industries catering to repair and maintenance of agricultural and marine tools and equipment.

The Island is in the midst of a "campaign" to reduce its imports from the rest of Canada and maximize its exports to the world.

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Manitoba

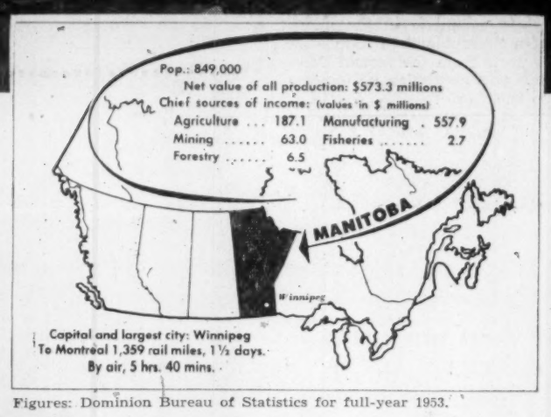
A BALANCED economy, mixing agriculture, manufacturing, wood products, petroleums, minerals, fisheries and furs encourages even-tempered businessmen in Manitoba, Canada's gateway to the Prairies.

This 246,500 square mile province, situated at the head of the Great Lakes in the centre of Canada is an industrial province with factory production of some $570 millions last year. It's an agricultural area raising a net cash crop of some $240 millions worth of wheat, barley, sugar beets, fodder corn, oats and hay annually. As a transportation centre, the province serves as the major marshalling and warehousing point where goods from east and west are funnelled through huge air and rail terminals.

Fast growth in discovery and development of oil is building Manitoba into an important petroleum province. Production of crude oil in 1955 hit $9 millions, a 60% increase over 1954 and equal to 75% of the province's total annual needs. During the year oil fields were established at Lulu Lake, Tilston and Maples, bringing the total fields in the province to 10 with production estimated at some four million bbls. Oil men estimate the province will be self-sufficient in oil by the end of this year.

Mineral production, boosted by new copper-nickel production at Lynn Lake, is estimated at $36 millions last year, up 84% over 1954. A staking boom during 1955 saw 8,400 claims staked during the first ten months of the year.

A major mineral source is the Precambrian shield which covers 57% of the total area of the province. From this 140,000 sq. m. minerals storehouse comes nickel, copper, gold, zinc, silver and a host of byproducts. The Lynn Lake development—at an estimated $200 millions—provided a new impetus to development of the province's bleak northern areas. Among other things, a $15 million, 120-mile rail line built to reach the deposit has made possible subsequent exploitation of several other mineral discoveries in the area.



Figures: Dominion Bureau of Statistics for full-year 1953.

Lithium To Come?

Among mineral finds being studied for future development is a promising lithium field. One of the larger operators in the field, ViolaMac Mines, estimates its ore reserves at four million tons of low iron content suitable for glass and ceramic trades. The company is currently studying plans for a 1,000-ton-a-day mill.

Furs brought in more than $4.5 millions in 1955 with the biggest part ($3 millions) coming from domestic fur farms. The rest was the product of wild furs.

From Manitoba's 26,789 sq. m. of lakes 28.4 million lbs. of fish worth roughly $5.4 millions were caught by commercial fishermen last year. The dozen commercial varieties — caught mainly in lakes Manitoba, Winnipeg and Winnipegosis — also have stimulated the emergence of growing fish processing industry to fillet and freeze each year's catch.

Forest products industries draw from the 40% of Manitoba that is wooded. Within the province are 93,000 sq. m. of forests — 30,000 of them currently commercially productive — with an estimated total timber stand of 2,445 million board feet of raw material and 29.9 million cords of smaller growth.

Manufacturing is a major activity in the province with net value of output running around $217 millions a year. The largest group of industries produces consumer goods for the growing Prairie market and is centred around Winnipeg. Raw materials provide the basis of a flourishing business manufacturing grain products, dairy products and nonferrous metal goods as well as meat packing operations that are among the largest in Canada. Further good possibilities lie in industries handling petroleum, pulp and paper and seed processing.

Railway rolling stock, agricultural equipment, electrical apparatus and scientific and electronic apparatus represent another growing manufacturing activity in the province. Manitoba is also a major textile centre.

Major '55 Developments

Estimates for the first 10 months of 1955 indicated some $84 millions in new construction contracts was awarded in the province. Among big projects noted during the year were:

—A $1 million generating station at Brandon, for the Manitoba Hydro Electric Board.

—A $9.4 million post office building at Winnipeg.

—A $10 million refinery at St. Boniface on a 173-acre site for North Star Oil.

—Additions aimed at doubling grain storage capacity at Churchill, an ocean port on Hudson Bay.

—A $20 million pipeline to carry liquid propane gas to Winnipeg.

—Continuation of extension and conversion program plans by Winnipeg & Central Gas Co., budgeted at $10-$15 millions.

—A $4 million merchandise mart at Winnipeg designed to provide a wholesale city under one roof.

—A $6 million expansion program at the Manitoba Paper Co.'s Pine Falls plant aimed at increasing plant capacity to 500 tons a day.

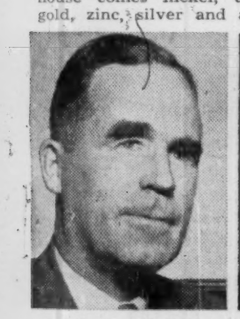
—A $3 million addition to Canada Cement Co.'s plant expected to add 1.3 million bbls. additional capacity a year.

—Possibility of a $20 million fertilizer plant in the Winnipeg district being studied by Canada Hydrocarbons.

—A major copper-nickel ore discovery in the eastern Manitoba Cat Lake area which may run as high as 1.5 million tons and continued exploratory drilling in the Mystery Lake nickel holdings.

—Residential construction, repairs and maintenance totalling more than $68 millions.

During the first nine months of 1955, 59 new industries were established in Manitoba, bringing the total since 1946 to 450. Biggest single industry is still foods and beverages followed by iron and steel products. Reflecting general industrial health, some $375.8 millions was earmarked in 1955 for capital and repair expenditures in the province.



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Premier

HON. R. D. TURNER
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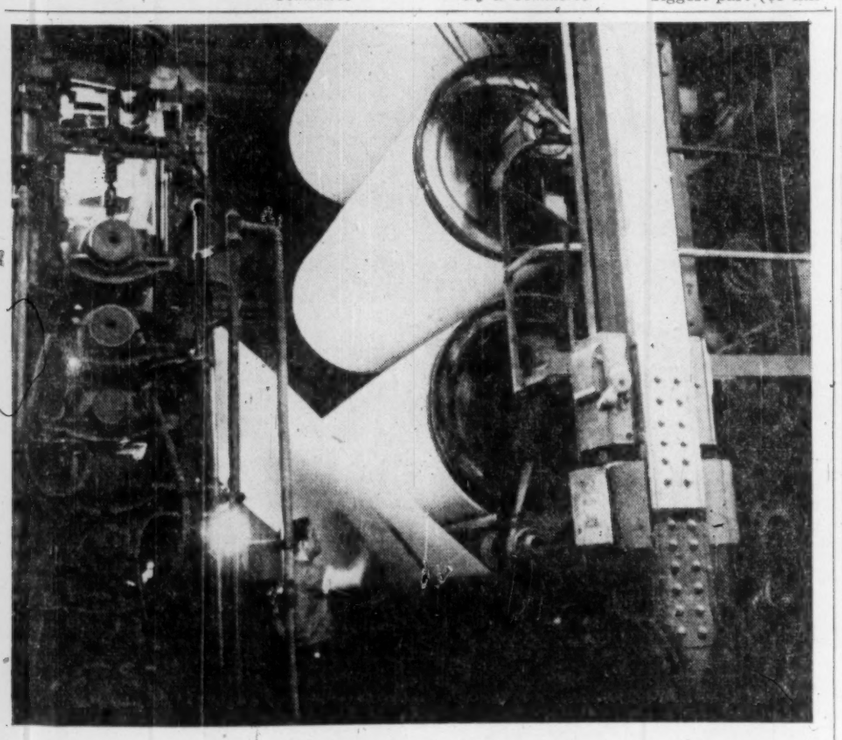
Deputy Minister of Industry & Commerce



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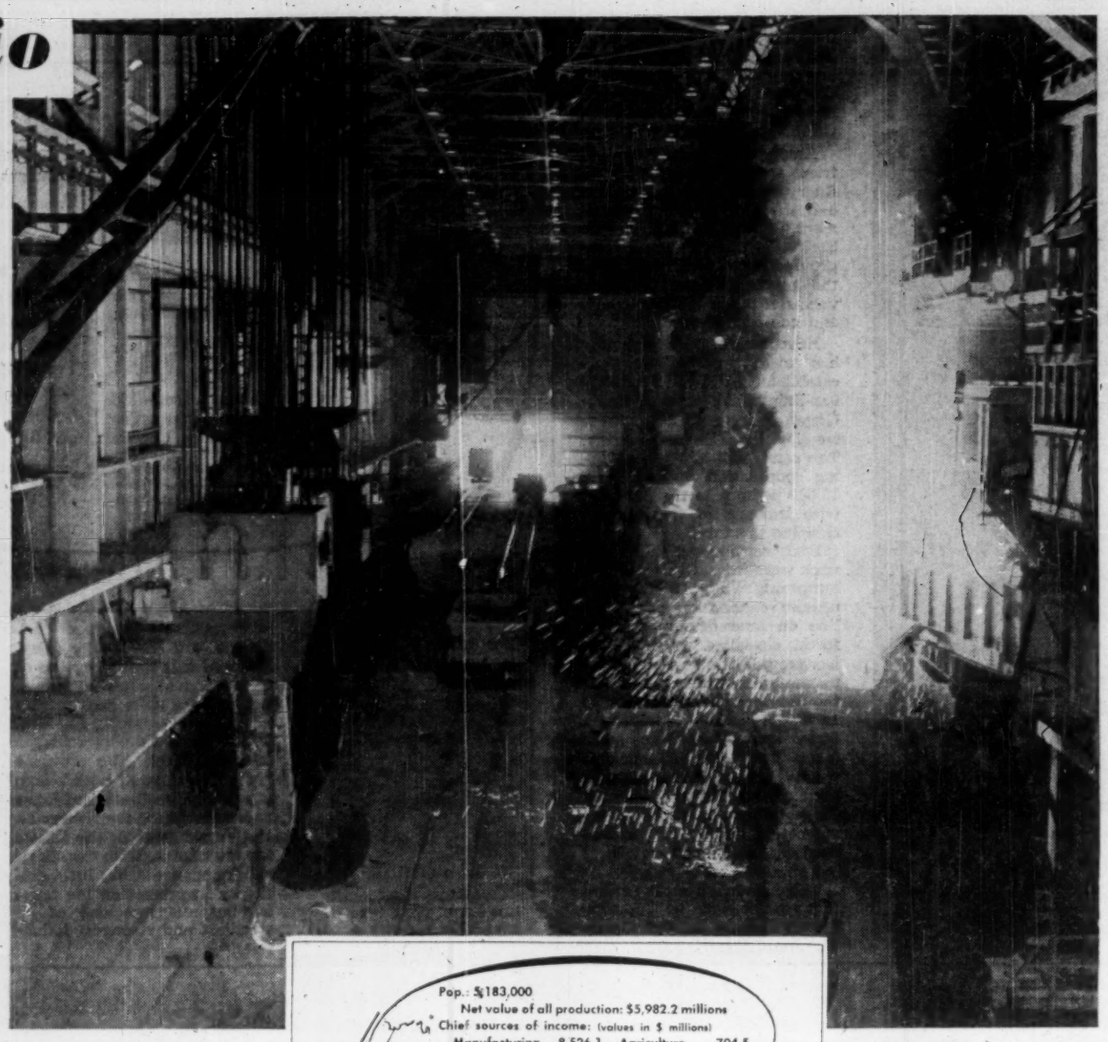


THE "Ruhr of Canada" is fast becoming the popular designation for a narrow strip of land that curves in a 150-mile horseshoe along Lake Ontario. It is the industrial bastion of the Province of Ontario and of Canada.

Yet all signs point to the probability that the expansion of this area marks only the beginning for Ontario. Already there are indications that the province may grow industrially in what now are virtually wilderness areas.

But at the present time, the southern manufacturing heart is the keystone in Canada's development. It accounts for half of all production of manufactured goods and services in the nation.

Its annual output, rising rapidly in 1955 as the Canadian economy expanded at an unprecedented rate, amounts to about $8,800 millions.

Three of Canada's four major basic steel mills maintain their plants in Ontario, where everything from pins and needles to complicated electronic and atomic equipment is made for sale throughout the rest of Canada and in export markets.

The triangle of land that nestles in the southern part of the province bordering on the Great Lakes also provides the base for the dominance of Ontario as a market for goods. Ontario has a third of the population of Canada, mostly concentrated in this area and provides the largest single domestic market in the nation.

This market is easily reached through extensive networks of railroad lines, roads and the Great Lakes waterway. It is the doorstep to Western Canada and the U. S. The cities bordering on these lakes are major trans-shipment points for incoming manufactured goods and for outgoing products like wheat.

Growth to Come

Although Ontario has grown sharply in the postwar years, the room for further growth is still exciting, challenging and potentially rewarding. The most immediate factor that promises to give added impetus to this growth is the St. Lawrence Seaway development.

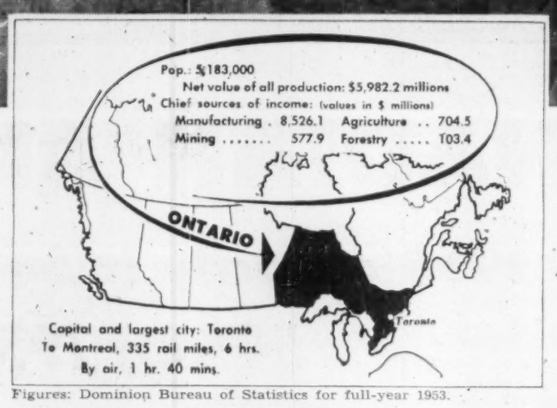
The Seaway, scheduled to be completed about 1960, will give Ontario direct waterway links to world markets and will supply it with more badly needed hydro-electric power to turn the wheels of industry.

Power has been the key behind a boom since 1946 that has seen an increase in manufacturing industry in Ontario of 2½ times and investment of almost $3,500 millions in new and expanded plants and equipment. More than 700 new industries have come into the province from other parts of Canada, the U. S. and overseas.

It is estimated that more than 140 new industries established in the province in 1955 —the biggest number yet in any one year. By far, the United States leads in this influx of manufacturing plants with more than half of the 1955 new industries the result of expansion into Canada by U. S. firms.

Britain and West Germany have also been sending money here to establish new industries in fields like electronics, chemicals, aircraft, and light manufacturing.

However, last year saw a change in the pattern followed by foreign firms seeking interests in Canada. The tendency now is to purchase going Canadian concerns as investments, thereby buying an established product with an established market and personnel.



Figures: Dominion Bureau of Statistics for full-year 1953.

Manufacturing Emphasis

Ontario Government officials point out there is plenty of room for new industries. The pattern of growth of Canada has been the production of raw materials which are exported and then imported in the form of finished goods. With Canada's population growing, with a healthy economic and government climate, with cheap power facilities and skilled labor, the new industries have found that they can completely finish products in Canada for sale here or overseas.

The new pipeline projects, heavy capital expansion by industry, development of atomic power in Ontario and the St. Lawrence Seaway all indicate continuing demand for a widespread variety of goods and are helping to provide the base for a fresh surge of industrial development. Ahead is natural gas as a new and diversified source of fuel and power piped all the way from Alberta via a route through the northern part of the province.

Recently it was decided to extend a 1,750-mile oil pipeline from Alberta to Toronto's doorstep refineries.

Ontario has accounted for 35% of all Canadian capital expenditures, 78% of steel products, 99% of motor vehicle output; 57% of chemicals, 82% of rubber, 59% of aircraft, 85% of abrasives and total production of nickel, platinum metals and cobalt. Its Blind River uranium deposits have stirred the world.

Ontario, in chalking up these large proportions of production for all Canada, consumes 37% of electricity generated. And to keep up with the insatiable demand of industry for power, Ontario has spent $1,000 millions in the past 10 years.

But this period was only the beginning. It is estimated that an additional $3,000 millions will be spent by 1980 on expansion of power output. And, significantly, this natural-resources-rich province will pin its hopes increasingly on the atomic age. For by 1980, it envisages that the largest single part of its power output will originate in atom plants. In working toward this end, the first Canadian nuclear-power plant is already being built in Ontario.

This pattern of development is the key to a possible widespread industrial growth throughout a province that is about the size of France and Spain combined. Atom-power plants can be dotted anywhere and industry will not have to congregate near water-power sources. This future era of growth will likely see tremendous extension of industrial civilization into the wilderness areas of Northern Ontario.

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This 85-year-old "parliament of Canadian business" is a nonprofit and nonpolitical organization of manufacturers in every line of industry from the Atlantic to the Pacific. The CMA membership — some 6,500 strong — has banded together to consider national and international policies and to take action on their common problems.

It is an association of hundreds of industrial managers. They are located in more than 600 cities, towns, and villages and they are the heads of companies both large and small.

As the spokesman for the producers of more than 75% of Canada's manufactured products, the association constantly meets and studies with federal, provincial and municipal governments, commissions, boards and organizations representing other groups, to promote the welfare and prosperity of the people of Canada. Among its avowed aims: to press for increased immigration, to help attract manufacturing industries to Canada, to aid Canadian industries interested in foreign trade.

T. A. RICE, *President, CMA*

Manufactured products have been an increasingly important factor in the Canadian economy within recent years and in turn the CMA has grown in importance. In 1954, last year for which full statistics are available, finished manufactures accounted for 39.8% of Canada's exports, a rise of 9% over the previous year. An estimated 1.4 million workers drew their livelihood from manufacturing last year.

A handful of manufacturing pioneers formed the CMA in 1871 with the conviction that Canada would be forged into a great manufacturing country. These pioneers had little money and little influence but they believed firmly in the industrial future of their country.

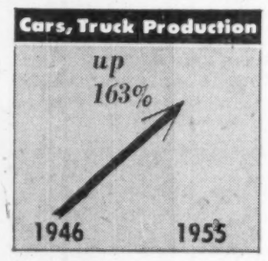
From that tiny beginning has grown a large and smoothly running operation. Today, the CMA has a permanent staff of some 100 specialists, executives, and administrative people who work out of offices in all the major cities. Included among the staff are experts in the fields of tariffs, transportation, industrial relations, public relations, insurance, commercial intelligence, and legislation affecting industry and commerce. In addition, about 1,000 of the paying members serve voluntarily on committees.

Head office is at 67 Yonge Street, in Toronto.

The CMA has made many important contributions to Ca-

(Continued on page 29)

Cars, Truck Production



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New Brunswick

MINING is making a new future for New Brunswick.

Sparked by a multimillion-ton base metal strike in the northern part of the province three years ago, prospecting, diamond drilling, aerial surveys, geophysical operations, mine development and plant construction is being carried on at an expenditure rate now estimated in the neighborhood of $10 millions a year.

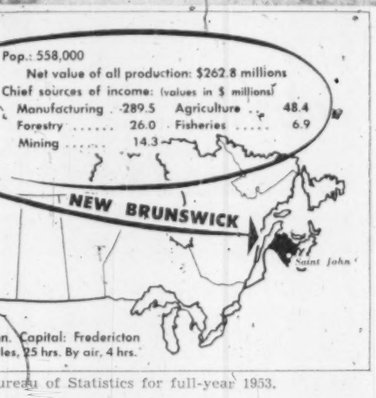
A group of five New Brunswick companies is reportedly getting ready to spend $1.5 millions on exploration and geophysical surveys in the Bathurst area this year.

The New Brunswick Government recently told the Gordon Royal Commission, enquiring into the economic prospects of Canada, the discovery of lead, zinc, copper and silver was one of the most important events in the economic life of the province.

Surveys indicate mining costs will be low. One of the ore bodies is capable of being worked for many years by the open-pit method. They are within easy reach of tide water.

In addition to lead, zinc, copper, silver and some gold, deposits of manganese and uranium bearing ore are indicated.

Two producers are now shipping base metal concentrates out of the province. Brunswick Mining & Smelting Corp. has a pilot mill in operation and plans a concentrating plant with a maximum capacity of 5,000 tons a day to be in operation by 1958. Heath Steele Mines, a subsidiary of American Metals Co., is planning a 1,500-ton concentrating plant for operation by 1957.



Figures: Dominion Bureau of Statistics for full-year 1953.

HON. H. J. FLEMMING
Premier

To meet the growing demand, New Brunswick has rapidly expanded its electric-power capacity. (Present installed capacity in the province is 242,000 kw.)

Currently under construction is a hydro-electric plant at Beechwood on the St. John River. Capable of producing a maximum 102,000 kw, the plant is expected to be operating at partial capacity of 68,000 kw by 1957 with full capacity probably following a year later.

Large blocks of cheap power are the key to determining whether New Brunswick is ultimately to become an exporter of its newly found raw materials or to become an industrialized region.

New Brunswick's forests have been the hard core of provincial economy for many years. A forest inventory scheduled to be completed in 1958 is expected to show the volume of merchantable wood considerably in excess of 10,000 million cu. ft. In all some 14.5 million acres (81% of the province's land area) are covered by protective forest.

A large part of the wood cut goes to pulp and paper mills for conversion into newsprint. Lumber production is currently estimated in the vicinity of 300 million board feet per year with roughly a third of the production being marketed in each of the Canadian, United States and overseas markets.

Fishing is probably New Brunswick's oldest industry. In 1954 the value of New Brunswick fish products was estimated at $19 millions, 12.2% of the Canadian total. The annual fish catch ranges from 200 million to 250 million pounds.

A new era in the province's fishing industry opened in 1949 when fishermen began to modernize their boats and equipment with the assistance of government loans. The province now boasts a fleet of 70 modern draggers, most of which operate in the Gulf of St. Lawrence. Some 35 varieties of fish and shellfish are caught commercially, a greater variety than in any other province of Canada. Shellfish, particularly lobsters, make up a considerable portion of the market total. Sardines, cod, herring and smelts account for another large slice of the catch.

The largest export market for New Brunswick fish products is the United States. Canned sardines from the province are shipped many countries of the world while dried salt cod is marketed in Italy and the Caribbean countries.

Among the province's industries are a large sugar refinery, located at Saint John and stove and heating equipment, manufactured in the Sackville-Moncton area. Other provincial industries engage in the manufacture of brushes, valves, fittings, boots and shoes and confectionery.

New Brunswick's economy has also benefited by the establishment in the Fredericton-Saint John area of Camp Gagetown, a vast training centre for the Canadian Army. The camp will add a continuing population of at least 15,000 persons to the province with influxes of trainees increasing this total.

Early settlers in New Brunswick were interested chiefly in lumbering while farming was usually carried on as a side line on land developed from forest clearings. This system has prevailed to a great extent to the present day. In 1951 the province contained total of 1,006,377 acres of improved farm land and these same farms had 2,044,103 acres of wood lots associated with them. With the exception of the potato crop, mixed farming caters largely to personal needs and immediate local markets.

The province's most important cash crop is potatoes, grown largely in the Upper St. John River Valley area where climate and soil conditions are favorable. New Brunswick is ranked as one of Canada's major potato growing areas and is particularly noted for seed stock, much of which finds its way into the export market. The province is richly endowed with scenic attractions, well-stocked lakes and streams for the fisherman and ample game in the forests for the hunter. With this natural abundance it has little difficulty in promoting the tourist business into one of its steadiest and strongest industries.

HON. J. R. PICHETTE
Minister of Industry & Commerce

W. A. MOORE
Deputy Minister of Industry & Commerce

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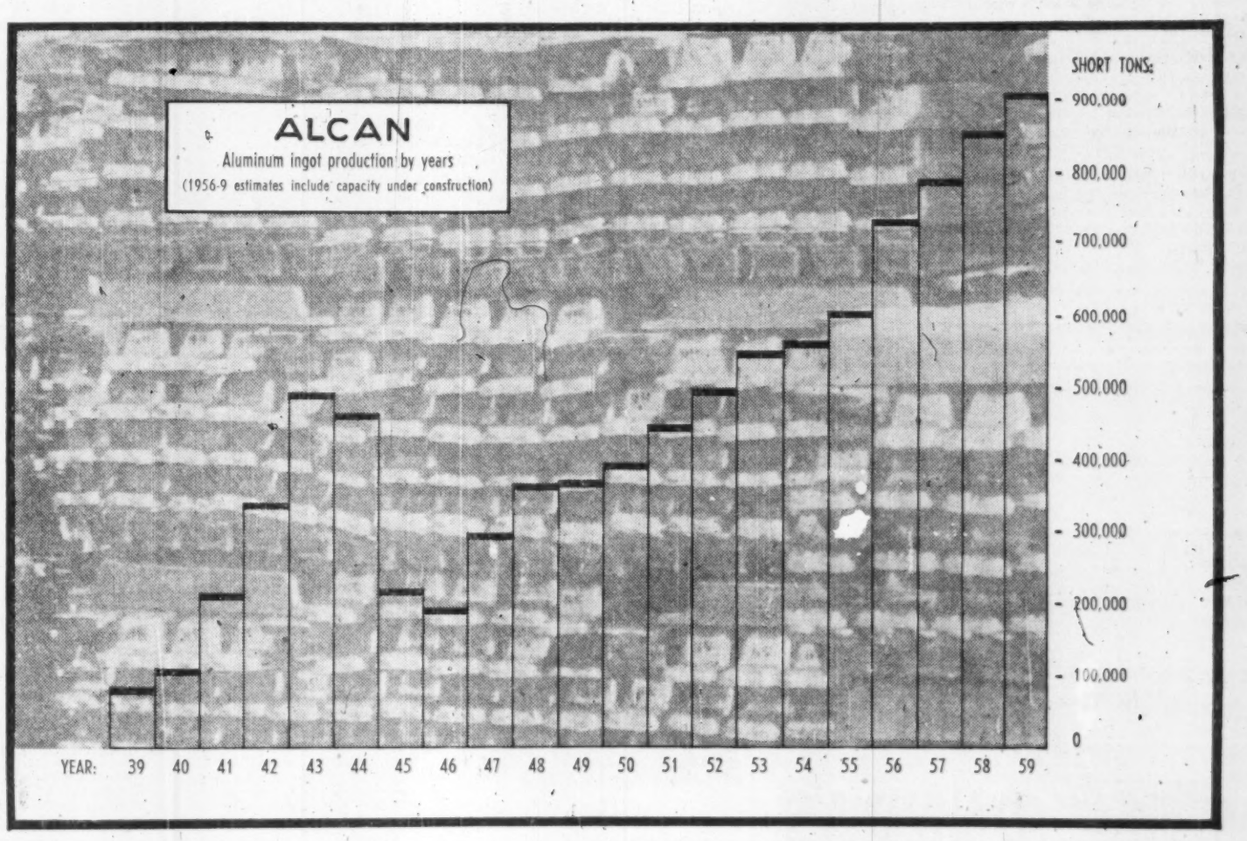
CANADIAN ALUMINUM

1955 capacity to be expanded 50% by 1959

EXPANSION PROGRAMME LARGEST IN THE INDUSTRY



Its matchless combination of qualities — lightness, durability, strength, appearance — has made aluminum second only to steel in world markets. New uses — for both civilian and defence purposes — keep increasing the relentless demand. The world demand for aluminum is presently in excess of supply and the immediate prospect is that, like other basic materials, aluminum will be a scarce metal during the months ahead. Despite continuing expansion of producing facilities, as shown in the chart above, the fact is that the demands go up at a rate faster than new production can be pushed to completion at Isle Maligne in Quebec and Kitimat in British Columbia.

Steady increase in productive capacity has been accompanied by a corresponding increase in employment and payroll. Today there are 20,500 Alcan employees in Canada, where the payroll at the rate of $75,000,000 a year contributes to all phases of Canada's standard of living.

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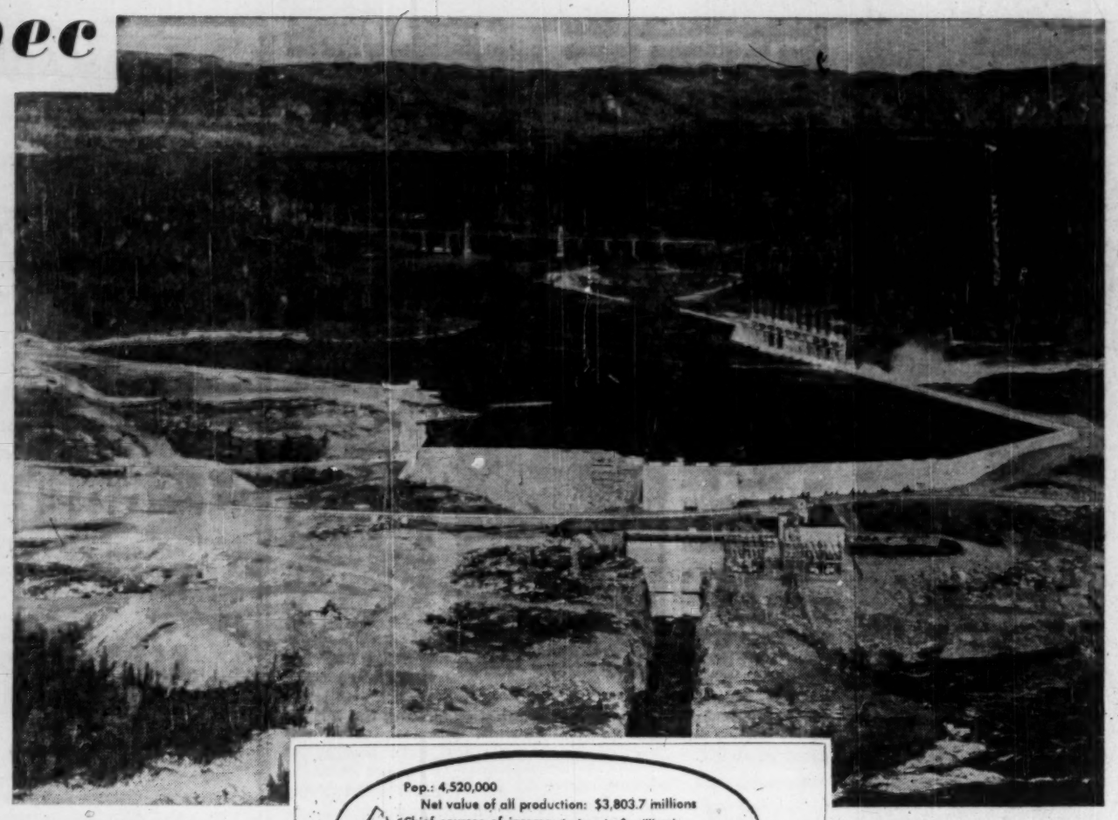


THE FIRM foundation of Quebec's economic future rests on its giant deposits of iron ore, its immense stands of forests and its mighty rivers which generate hydro power so vital to industry.

Across the province is sweeping a wave of activity which is gradually spreading from long-established urban centres to peaceful outlying villages.

One area that is capturing particular attention is along the south shore of the St. Lawrence River where new industries are springing up. Added stimulus to this development is provided by the St. Lawrence Seaway project.

Between Contrecoeur, 45 miles east of Montreal, and Valleyfield, 35 west of Montreal, it is estimated capital investment in industries under construction or contracted for during the past two years is in excess of $65 millions. Total value of residential construction is estimated at $35 millions and commercial construction $10 millions. New projects in the area will provide employment for about 5,000 persons.

During the 12 years from 1941 to 1953, South Shore counties and immediately bordering ones increased in population from 231,990 to 353,957, an increase of 121,967, or an average rate of 10,164 persons per annum. Because of the new industries established in the past two years, conservative estimates place the annual increase in this period at 12,000 to 15,000 persons.

That is an example of decentralization that is becoming a prominent part of the Quebec industrial scene. But at the same time such firmly established cities as Montreal are continuing to expand.

HON. M. DUPLESSIS
Premier

Here are indications of Montreal's growth in recent years:

— In population, the city has grown from 1,021,520 in 1951 to an estimated 1,080,000 in 1955. Greater Montreal has increased from 1,395,400 to 1,565,000. In a 30-mile radius, the population has increased by more than 200,000 persons in the past four years and is pushing close to the 1,900,000 mark.

—Retail sales have advanced from $1,012,600,000 to $1,308,300,000 between 1951 and 1955. In greater Montreal, the increase has been from $1,200 millions to $1,700 millions.

Quebec is the second largest industrial producer in Canada — exceeded only by Ontario — in terms of dollar value.

Net value of industrial production last year is estimated at $4,000 millions, up 2.5% from 1954 and 137.5% from 1945.

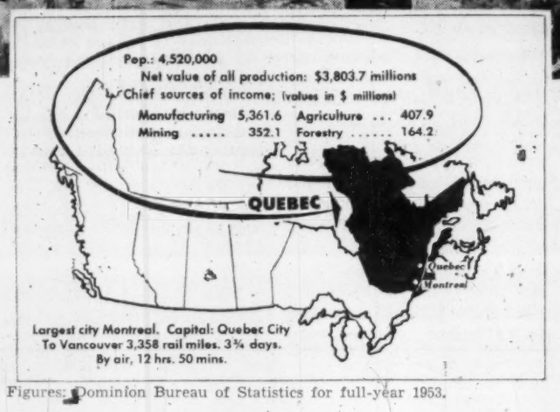
Purchasing power of the population — personal income — is estimated at a total of $5,000 million last year or almost 9% over 1954, and a 125% increase over 1945. Personal income in the province represents about one quarter of Canadian income.

Rich in Resources

Mineral production last year is estimated at $350 millions, up $70 millions from the previous year.

Quebec has about 52% of total hydro-electric power in Canada. In 1955 hydro-electric installations increased by 193,000 horsepower exceeded only by Ontario where the Ontario Hydro-Electric Power Commission brought in 525,000 hp.

Another major source of wealth is Quebec's biggest industry — pulp and paper, which produces about one third of Canada's pulp and paper output and more than half the supply of newsprint. Global value of Quebec's forestry production is estimated at about $800 millions. Gross value of production was estimated at $540 millions, an increase of 2.7% for the preceding year. To 125,000 part-and full-time workers in the 55 mills in the province, it means $230 millions in salaries.



Figures: Dominion Bureau of Statistics for full-year 1953.

Quebec supplies about 60% of the global asbestos production and indications for 1955 are that the Canadian industry enjoyed its biggest year in history. Total tonnage shipped last year was estimated at 975,000 tons and value around $100 millions. This was a sharp gain over 1954 when 926,000 tons worth $83 millions were shipped.

LOUIS CODERRE
Deputy Minister of Trade & Commerce

The asbestos industry is in the midst of a $95-million expansion program which began in 1950 and will extend to 1957. An estimated $75 millions is being spent in the heart of the industry, Quebec's Eastern Townships. The full effect of the program has yet to be felt.

One of the most important features in Quebec's growth is iron ore.

Iron Ore Co. of Canada and the two concession companies, Hollinger North Shore and Labrador Mining & Smelting Co., shipped 7.7 million tons of iron ore in 1955, topping production target for the year which had been set at seven million tons. The objective of 1956 is 10 million tons by Iron Ore Co. and one million tons each for the two concession companies.

Another major source of Quebec wealth is in output of aluminum where almost 20% of the world's supply is produced by Aluminum Co. of Canada Ltd.

One of the major developments in the past year in this field was an announcement that British Aluminium Ltd. and Quebec North Shore Paper Co. would build a plant to produce 160,000 long tons in ingot by 1965. The capital investment is estimated at $130 millions.

Developments in the province have not gone unnoticed abroad. More and more immigrants are coming to Quebec. It is estimated four out of five immigrants in 1955 settled in Ontario, British Columbia or Quebec.

Between Jan. 1, 1946, to Sept. 30, 1955, 237,630 newcomers came to the province. The figure is only exceeded by Ontario which claimed 628,705 of the new arrivals.

There is no indication of slackening in the rapid clip of Quebec's development. New capital investment last year is estimated at $1,400 millions.

From the park on top of Mount Royal — the hulk of a long dead volcano — you get a magnificent view of Montreal, the third-largest French-speaking city in the world. This is the heart of Canada's railroad system, the centre of world civil aviation and the world's largest inland port.

Not too many years ago, the Mount Royal tourist's view also covered a great portion of Quebec's economic life. Such centralization is no longer true today.

Montreal has lost none of its importance, but the impact of industrialization is being felt all along the St. Lawrence and in the once desolate hinterlands.

Quebec's habitant economy is gradually — and ever faster —being replaced by dollars on the march — developing natural resources, burgeoning industrial facilities and a populace with new ambitions. The transition is not being achieved without adjustments — sometimes painful wrenchings from old traditions, family customs.

While there is a gradual but steady wave of decentralization which is transforming once peaceful farm lands into urban communities, areas like Greater Montreal illustrate a simultaneously continuing process of further centralization.

In the City and metropolitan area, construction value of new industrial plants has amounted to an estimated $330 millions between 1945 and 1954. Another $470 millions has been spent for machinery, equipment and land.

Meanwhile exploration work was continued in Northern Quebec and in adjacent districts for iron ore. Steel magnet Cyrus S. Eaton is the man behind a new development proposed in Ungava. The two companies which he controls—International Iron Ores Ltd. and Atlantic Iron Ore Ltd. — are expected to outline production plan soon to Premier Maurice Duplessis for his approval. Both companies have carried on exploration work in the Ungava area. International Iron has a special mineral exploration license for a 600-sq.-mile area south of Diana Bay, about 25 miles north of Bayne Bay. Atlantic has an exploration license which covers 160 sq. miles west of Ungava Bay in the region of Hopes Advance Bay in Fort Lake.

HON. P. BEAULIEU
Minister of Trade & Commerce

Steel Co. of Canada and Pickand Mather & Co. of Cleveland announced last year their intention to bring back into production the former Bristol Iron Mine property. Plans are for a 7,500-ton-a-day plant or 1,500 tons of iron concentrate.

CANADIAN TRADE INDEX

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CMA: The Voice of Canadian Industry

(Continued from page 27)

nadian industrialization and it strives continually to keep abreast of trends in trade. Here is the CMA record in brief:

—It organized the forerunner of the Trade Commissioner Service 50 years ago, with correspondents in many world capitals.

—It assisted in the establishment of the Board of Railway Commissioners, now known as the Board of Transport Commissioners.

—It provided the driving force behind the model for workmen's compensation acts in Canada.

—It began the Produced-in-Canada educational movement in 1902.

—It assisted in starting the world-famous Canadian National Exhibition.

—It assisted in the formation of the Canadian Standards Association.

—Its work toward industrial and scientific research was a factor in the Canadian Government's creation of its National Research Council.

—Between 1939-41 the association uncovered thousands of potential subcontractors for war work.

—It has promoted and now assists technical education and vocational training throughout Canada.

—It sends representatives to important trade and labor conferences throughout the world.

—It helps organize and assists in development of trade exhibitions.

—It advises and assists local and foreign companies anxious to establish plants in Canada.

—It assists overseas visitors in the interests of trade.

Among the most important departments within the Canadian Manufacturers' Association is the commercial intelligence department. This is a clearing house for commercial, trade and statistical information.

It compiles and distributes the Canadian Trade Index, an authoritative directory of Canadian industry that contains an alphabetical listing of more than 10,000 manufacturing firms complete with addresses, branches, brand and trade names, cable addresses, foreign representatives and a classified list of thousands of industrial products with the names of the Canadian firms manufacturing them.

The commercial intelligence dept. also has organized export study clubs for those of Canada's 2,000 manufacturers who are effectively interested in export business. To date, export study clubs have been started at Montreal and Toronto and they have flourished. Members exchange information and discuss practical methods of facilitating export business.

Another major CMA facet is trade fair promotion.

Co-operation with federal government in international fairs and foreign exhibitions has been a long-established policy of the CMA. Canadian manufacturers have long been interested in displaying their products at exhibitions and fairs.

They attended the Indian and Colonial Exhibition in London in 1886 and they have been sending products and representatives to overseas fairs ever since. In addition, the association has developed strong ties between itself and similar organizations throughout the world.

Among the organizations with which information is exchanged are: Canadian Chamber of Commerce in Great Britain, Federation of British Industries, U. S. National Association of Manufacturers, All-India Manufacturers' Organization, Associated Chambers of Manufacturers of Australia, Victorian Chamber of Manufacturers, New Zealand Manufacturers Federation, and the South African Federated Chamber of Industries.

The international policy of the association calls for: support to the Colombo Plan and technical assistance plans to underdeveloped countries, support for the Canadian government's stand at meetings of GATT against the raising of world tariffs above present levels and against quota and other restrictions that might hinder the free flow of trade between nations, and support for government's move to use of GATT escape clause.

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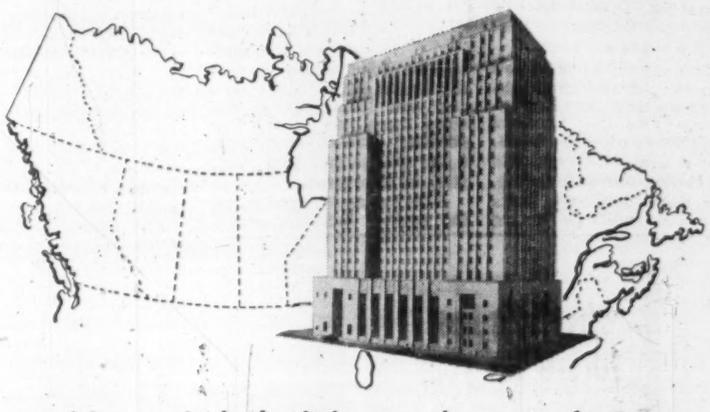

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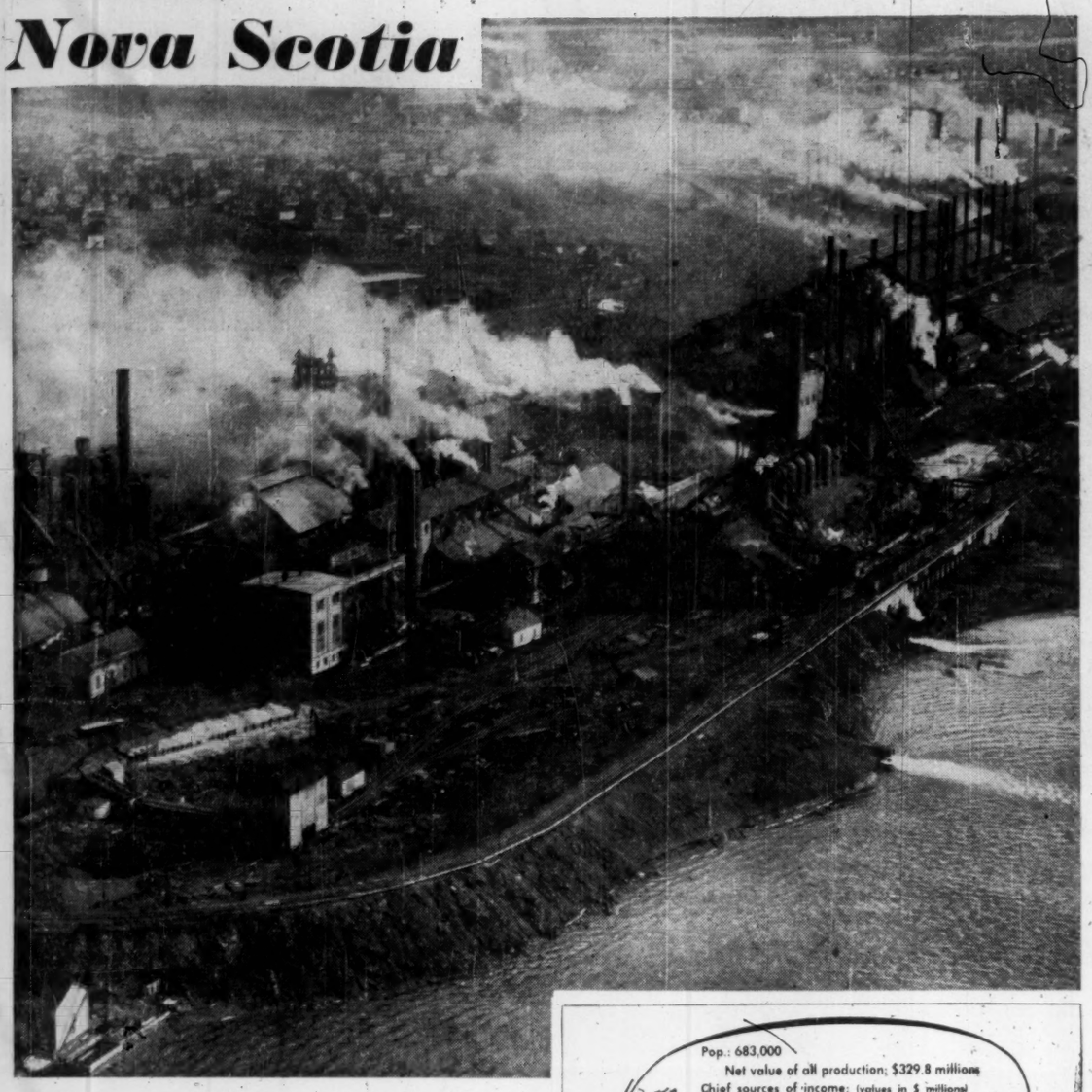


NOVA SCOTIA's economic future is brightening.

Once—in the days of wooden ships and iron men—among North America's richest areas, the province until now has not matched the economic development of booming Central and Western Canada.

Right now a broad economic attack is under way to change things. Nova Scotia is discovering latent riches and areas of potential development heretofore either unknown or undeveloped.

In broad terms, here's what's going on in this 21,000-square-mile, second-smallest province:

— The Arthur D. Little organization, Cambridge, Mass., an industrial research consulting firm, has made a broad survey of the province's resources, markets and economic potential. The Little organization reports it considers manufacture of fish sticks, coated fabrics, cotton and jute bags, knock-down furniture, paper boxes and bags, boats and plastic products among avenues of promise for the future.

—The biggest mineral hunt in the province's history is in progress with better than $1 million spent to date on exploration and investigation.

—Extensive research in the fishing industry is continuing and low-cost government loans have helped fishermen scrap the old two-man dory in favor of large, fast electronically equipped fishing boats.

HON. HENRY D. HICKS
Premier

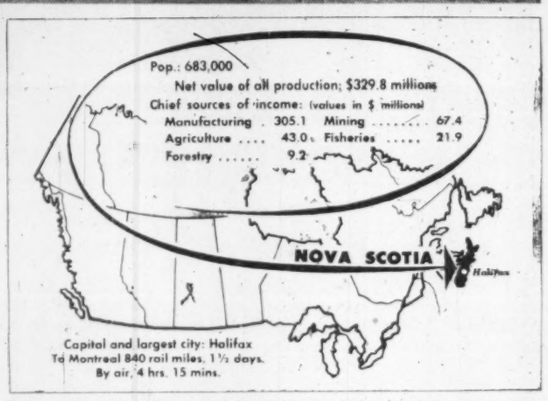
—Through forest management, the province's 14,000 square miles of woodlands are being built up. Negotiations aimed at establishment of a bleached kraft pulp mill and a new newsprint mill are in progress.

—Three major projects in the field of transportation and facilities, a $10,million bridge, $22-million causeway and 150-vehicle ocean-going ferry was placed into service in 1955. Other projects, a new airport and deep water pier, are in progress.

—On the agricultural scene, the poultry industry, now a $12-million-a-year business compared to only $3 million a few years ago, is still expanding. Experiments in sheep ranching are being carried on and the Annapolis Valley apple industry, hard hit when its biggest customer, the United Kingdom curtailed orders because of dollar shortages, is making progress toward recovery.

To make a joint assault on common problems, in 1954 Nova Scotia and the three other Atlantic provinces formed the Atlantic Provinces Economic Council, which is designed to survey and study factors affecting the development of the Maritime region, stimulate action on matters of common concern and act as a co-ordinating body.

An industrial loan fund which lends funds to suitable industries wishing to locate in the province, has been established by the Provincial Government, The City of Halifax has set up an Industrial Development Commission to help and attract industry to its area and other Nova Scotian centres have taken similar measures.



Figures: Dominion Bureau of Statistics for full-year 1955.

Nova Scotian mineral production for 1955 is estimated at $67.5 millions, 76% of which is accounted for by the production of bituminous coal, the province's major mining industry.

HON. W. T. DAUPHINEE
Minister of Trade & Industry

The coal industry, which employs about 10,600 persons and has an annual output of just under 6 million tons, has suffered serious setbacks in the past few years. Reduced orders and dieselization of Canada's railroads have led to the closing of some pits. Recent overseas orders for Nova Scotia coal have aided in stabilizing the level of production and somewhat brightened the industry's outlook.

The industry is decreasing in underground transportation costs through inclined tunnels and conveyor belt systems and lowering unit cost production through underground mechanization. A coal-fired, gas turbine engine, under development at McGill University in Montreal and suitable for use in locomotives, offers some market hope to the industry.

On the plus side of Nova Scotia mining, production of gypsum and baryte has soared. Production of gypsum is estimated at 3.5 million tons in 1955, 80% of total Canadian output, and compares with production of half a million tons in 1946.

One large operator, National Gypsum Co. is spending $6 millions to develop what is believed to be the largest single deposit of commercially pure gypsum in North America. Already in operation, the mine's quarrying operations are designed to handle 5,000 tons a day with the ore being transported to Halifax, some 30 miles distant, for shipment through the port.

Production of barytes, a mineral used in oil-well drilling, reached about one-quarter million tons in 1955 and represent 95% of total Canadian production. Most is shipped to the Caribbean and Venezuelan areas. Salt production, accomplished by both the brining and underground processes, now stands at 150,000 tons annually.

Diamond drilling has disclosed a vast deposit of high-grade, white rock salt in the Pugwash area and shaft sinking is now in progress on the mine site. The new mine will be capable of producing 1,000 tons per day.

Milling of base metal ore from the Stirling Mine, Cape Breton operated by Mindamar Metals Corp., has been stepped up to 7,000 tons per day. Its annual production of concentrates of copper, lead and zinc with appreciable amounts of gold and silver is valued at about $3.5 millions.

Since 1953, when the Provincial Government granted exploration rights to major mining companies, a vast, province-wide mineral hunt has been on. To date 16,000 square miles, 75% of the province's total area, have been surveyed from the air and in addition extensive ground geological work undertaken.

Steel production is Nova Scotia's largest heavy industry.

Dominion Steel & Coal Co.'s 543 acre steel plant at Sydney on Cape Breton Island has undergone a $75-million three-phase modernization program which concluded last year.

The plant's three blast furnaces produce 1,450 tons of pig iron a day which, converted in modern open hearth installations, yield 545,000 tons of ingots per year. About one quarter of this tonnage is rolled into rails, 10% is further manufactured (mostly into wire and nails) at Sydney while the rest is made into billets for both export and shipment to inland DOSCO fabricating units.

Halifax Shipyards Ltd., Halifax, a wholly owned DOSCO subsidiary, is currently building three $14-million destroyer escorts for the Royal Canadian Navy.

The DOSCO's eastern fabricating facilities are centred at Trenton, near New Glasgow, where various subsidiaries produce railway cars, axles, wheels and other fabricated products.

J. R. BIGELOW
Deputy Minister of Trade & Industry

Imperial Oil Ltd., is currently building a $30-million addition to it's Halifax refinery, which will raise capacity to 41,000 bbls. a day as well as permit, for the first time here, production of high octane fuels. A second major oil company, Canadian Petrofina Ltd., is establishing a fully integrated marine terminal at Halifax from where refined petroleum products, brought in by tanker from the company's refinery at Montreal, will be distributed by road and rail to many Maritime points.

Other recent additions and improvements at the port of Halifax, one of the finest natural year-round harbors on the Atlantic seaboard, include a new $5-million deep-water pier (currently under construction), a 2.2 million bu. addition to port's grain elevator, a half-million-dollar freight transit shed and additions to both customs and immigration facilities (all completed this year).

Elsewhere on the transportation scene, a new Halifax airport is being built at Kelly Lake, 30 miles from Halifax, to replace the Navy airport at Dartmouth, used by commercial flights up to now. Work on the runways has already commenced and the field, when completed, will be capable of landing the largest aircraft. The new field, many experts feel, will become an international airport of equal importance with Gander, Nfld., within a few years.

Road construction by the Provincial Government is continuing at a fast pace with an additional 170 miles surfaced during 1955. Nova Scotia now boasts 1,800 miles of surfaced highways and 13,000 miles of graded trunk and country roads.

Nova Scotia's oldest and best-known industry, fishing, in the past decade has undergone greater change than in its entire 200-year history.

Modernization of the fishing fleet, more and better processing and packing plants have led to bigger returns. The fish catch in 1951 had a landed value of $22.2 millions, four times the prewar figure. Government assistance in the form of both federal subsidies ($165 per gross ton on approved boats) and low-cost, easy-repayment provincial loans have enabled fishermen to replace the old two-man dory with the large, fast-fishing dragger. The recent development of the fish stick industry — ground fillets which are frozen, sliced into sticks, precooked, refrozen and packaged — has popularized fish as food in inland Canada and the United States.

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Newfoundland

IN NEWFOUNDLAND, youngest of the Canadian provinces, they're carving a brighter future out of what, a scant decade ago, was considered a less favored part of North America.

Relatively poor, backward and bereft of social services when it became the 10th Canadian province in 1949, Newfoundland has since undergone an economic renaissance.

Here are some of the indicators:

—The tide of outward migration has been turned. Population which stood at 348,000 in 1949 is now estimated at 412,000.

—A host of new industries—from knitted goods to car batteries have been established.

—Forestry, the largest single industry, is being expanded. Pulpwood production is over 50% higher than in 1949; the province's two pulp and paper mills are completing modernization and expansion programs costing a total of $27 millions and there is talk of the establishment of a third mill.

—Fisheries, the oldest industry, is being modernized and expanded. Production of frozen groundfish has increased from 24.6 million pounds in 1949 to 53.6 million in 1954. In the same period the dragger and trawler fleet rose from 12 to 29 ships.

HON. J. SMALLWOOD
Premier

Undeveloped and in some instances underdeveloped natural resources, a surplus of $40 millions left in the treasury by the old Commission Government, planning and research were the tools employed in this turn-about of economic affairs.

Newfoundlanders, used to both hard work and hardship, were determined to put new life into the province's economy and they were willing to take chances to do it.

Present indications are they have succeeded.

Drive For Industry

When Newfoundland's first provincial government — headed by Premier Joseph R. Smallwood — took office, establishment of new industries was given top priority in the development plan.

Before industry would move into such an undeveloped area, it was concluded, some inducement would have to be offered. The government found that inducement in the $40-million surplus account, proceeds of a subsequent $10-million bond issue and private capital.

Dollar-short European manufacturers were offered loans of up to half of capital requirements to establish in Newfoundland. At the same time under aegis of the government, a cement plant, gypsum plant and cotton mill were built and put into operation.

These moves convinced manufacturers. Over a dozen assorted industries moved in. In Newfoundland they's now making machinery, leather goods, batteries, cotton products and even motion pictures.

The forests are Newfoundland's most important natural resource, accounting for an estimated 32% of income as compared with 12% for mining and 10% for fishing.

Pulp and paper, produced by two large companies — Bowater's (Newfoundland) Pulp & Paper Mills and Anglo-Newfoundland Development Co. — is the leading industry, absorbing about 80% of the timber production. Sawmilling, manufacture of veneer, compressed hardboard, sashes, doors, birch flooring, railway ties and pit props trail far behind.

Current production of newsprint is 535,000 tons per year with the Bowater mill to increase production by 50,000 tons in the near future. In the past year government - industry discussion has centred on the establishment of a third pulp and paper mill.

Pulpwood production is presently estimated in the vicinity of one million cords a year and is increasing.

Boost For Mining

Exploration and modernization have given Newfoundland's mining production a big boost in the past few years. In 1954 value of mineral production was estimated at over $44.5 millions compared with $33.7 millions in 1953 and $31.2 millions in 1952.

Though copper, lead, zinc, fluorspar, limestone, gypsum, shale and gravel are now being produced, production of iron ore is by far the most important segment of the industry.

An $11-million modernization program at the Dominion Steel & Coal Co.'s Wabana mines at Bell Island in Conception Bay has paid off in increased ore production of one million tons in two years. Output of the three big mines is presently estimated at 2.5 million tons and is increasing. Though total recoverable reserves of Wabana are not known because they cannot be proven very far in advance of mining, estimates range from 1 to 10 billion tons.

Iron Ore Co.'s Lake Ruth Mine in Labrador, now producing 1.5 million tons, has helped swell Newfoundland's production total of iron ore. It is expected that output from the mine will reach 3.5 million tons in the next two years. A third company, Canadian Javelin Ltd., controls a rich ore deposit in the Lake Wabush area of Labrador and expects to produce from two to three million tons of ore, starting in 1957.

Added reserves of copper are being developed by Bathurst Mining Corp. and Maritime Mining Corp. at Tilt Cove on the northern shores of Newfoundland. A mill now being erected at Tilt Cove will go into production later being increased to 2,000 tons per day.

The prospects for continued growth and diversification of mining operations in Newfoundland look good. Since 1949 the provincial government has done extensive surveying and prospecting and in addition some 14 private companies are undertaking mineral exploration. All crown lands in Newfoundland and Labrador are committed to one or another of these companies.

Important advances and improvements have been accomplished in the fisheries industry, the province's oldest and largest single source of employment.

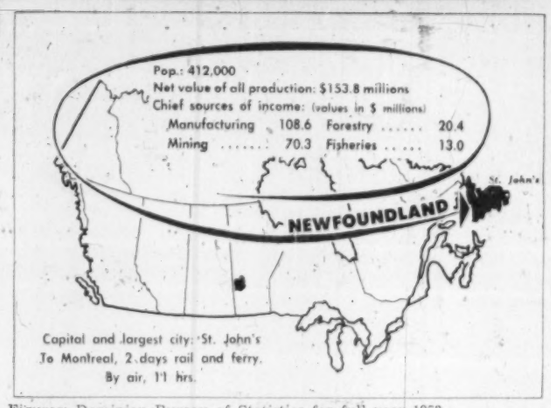
Establishment of the three-man Fisheries Development Authority in 1953 touched off an industry-wide reorganization program which, over the next 15 years, is expected to involve expenditures of some $100 millions.

The Authority is trying to remedy the industry's numerous and hard-to-solve difficulties.

GORDON PUSHIE
Director General, Economic Development

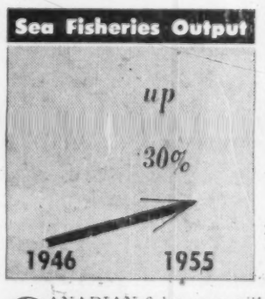
Newfoundland's 16,000 fishermen are scattered among the 1,300 small fishing villages that dot the province's rocky shoreline. Productivity per fisherman is low and fish treatment methods are largely still in the handicraft stage. With little or no land transportation linking the communities and harbors, ice-bound in the winter months, the problem of getting fish products to market are many.

The Authority, which may have loans of up to $25 millions outstanding at one time, is trying to remedy these ills. Taking shape is a chain of modern fish plants.



Figures: Dominion Bureau of Statistics for full-year 1953.

Two Oceans Hinterlands For Canadian Fisheries



CANADIAN fishermen will combine modern technology with age-old skills of seamanship and knowledge of fishing this year as they strive to produce 2,000 million pounds of protein-rich food for a hungry world

Preliminary figures show that in 1955, the nation's 85,000 professional fishermen landed 1,800 million pounds of fish with a marketed value of some $170 millions. The catch was somewhat smaller than the '54 landing but for most species prices were as good or better than in the previous year.

The major branches of the Canadian fisheries industry are Pacific salmon, herring and halibut, and Atlantic groundfish and lobsters. These five species comprise some 75% of Canadian fishing income. About 12% comes from other seafish and about 13% from fresh-water fish.

The Atlantic groundfish catch is the major source of income for fishermen, about $25 millions, although the British Columbia salmon catch approximates that figure. Lobsters account for about $15 millions and Pacific herring and halibut are worth $3-$4 millions each to the men who catch them.

The total Atlantic catch during 1955 was some 1,250 million pounds, representing a landed value of about $48 millions. Nearly 70% of the Atlantic catch is made up of groundfish, most of it cod. Two thirds of the cod is landed in Newfoundland and, though the catch dropped by about 100 million pounds last year, fish income was bolstered substantially by heavier catches of haddock.

Also, in spite of the smaller catch, production of frozen groundfish continues to increase, both in Newfoundland and the Maritime Provinces, to meet the demand for fish sticks. The frozen fish stick industry has grown tremendously in recent years and no letup in demand has been foreseen for 1956. Canada has a modest yet growing demand for domestic consumption and there is a rapidly increasing market for frozen blocks which are processed in United States stick plants. (A restrictive U.S. tariff prohibits marketing of the finished product.)

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After Hours—

Canada Is Host To Seven Million People Every Year

THIS year, Canada's 16 million people will extend the hand of hospitality to some seven million visitors from other countries. Each year more and more travelers come to Canada knowing that they will find an incomparably wide choice of holiday pleasures in each of her 10 provinces—from hunting and fishing in unspoiled wilderness to the sophisticated night life of her big cities, from the roar of Niagara Falls to the ripple of sparkling northern lakes, from the Stratford Shakespearean Festival to the Calgary Stampede.

Naturally enough, the vast majority of visitors to Canada come from the United States, particularly the northeastern section of that country. It is easy for them to reach Canada, no passports or visas are required of them in crossing the international border.

But visitors from other countries have been coming to Canada in increasing numbers since the war's end.

The effect of this great influx of visitors, once concentrated in the summer months of July and August but now spread over several additional months, has been to strengthen the friendly relations between Canadians and the people of the U. S. and other lands.

As the representative of the Canadian people, the Canadian Government through its Travel Bureau conducts an extensive information service to assist tourists planning to visit Canada. Head of the Travel Bureau is D. Leo Dolan, Ottawa, who with his staff answered 406,303 individual travel enquiries in 1955.

Each of Canada's 10 provincial governments also has its own tourist bureau, located in the respective provincial capitals. A private organization, the Canadian Tourist Association, is also devoted to the cause of happy holidays in Canada. So, too, are Canada's major transcontinental transportation companies — Canadian Pacific Railway, Canadian National Railways, Trans-Canada Airlines, Canadian Pacific Airlines. All of these organizations are prepared to assist the traveler in planning a successful and memorable Canadian vacation.

Package Tours

One of the growing trends in the Canadian travel industry has been in air travel. Becoming more popular each year, too, are "package" tours — trips which relieve the traveler of tiresome details of planning and budgeting by offering a detailed itinerary (which includes transportation, hotel accommodation, meals, sightseeing trips and all other vacation items) at a fixed price. Canada's two great railway systems have been particularly active in this field of travel promotion.

Another, and older form of "package" tour is a cruise on a comfortable ship. Visitors who come to Canada by ship, sailing up the St. Lawrence River to Montreal, will understand the popularity of these cruises with Canadians and Americans alike.

One of the favorite cruises of vacationers for many years has been Canada Steamship Lines' voyage from Montreal, colorful metropolis of French Canada, up the St. Lawrence and Saguenay Rivers to Lake St. John. Ports of call are ancient Quebec City, the only walled city in North America; Murray Bay, a remote village which boasts one of Canada's most luxurious resort hotels; Tadoussac, a quaint and colorful French settlement said to be the oldest in Canada; and Chicoutimi, a busy city far up the Saguenay River and close to one of the world's biggest aluminum plants.

Another favorite cruise is offered by Canadian Pacific Steamships between Port McNicoll, on Georgian Bay in central Ontario and Fort William, on Lake Superior in northwestern Ontario. In the far west, a cruise ship takes passengers through the fjords of British Columbia's "inland passage." In the far north, another ship carries vacationers along Yukon waterways, stopping at towns now nearly empty of everything except their souvenirs of the famous Gold Rush of 1898.

Many visitors plan their trips to Canada to coincide with certain special events. Here are just a few:

—In Nova Scotia, the Apple Blossom Festival in the Annapolis Valley in June and the Gaelic Mod and Highland Gathering in August are two of Canada's most colorful spectacles. The International Tuna Cup Match at Wedgeport attracts many sportsmen annually.

—In Ontario, the Canadian National Exhibition at Toronto in late August and early September attracts literally millions of visitors each year. The Shakespearean Festival, a summer-long presentation of classical drama and other art forms at Stratford, is famous internationally. The Niagara Blossom Festival and the Ottawa Tulip Festival are springtime attractions, while the Niagara Grape Festival in September is reminiscent of the colorful festivals of Europe's wine-growing areas.

—In Alberta, the Calgary Stampede, held each year in July, and the Banff Indian Days, the second week following, recreate all the excitement of frontier days in the old west.

So many and so varied are Canada's tourist attractions, in fact, that the travel business has become a major industry. Its annual revenues amount to some $500 millions, including travel by Canadians within their own country.

But it is by no means a one-sided business. Canadians, too, like to travel, and in 1954 they spent $313 millions in the U. S.

Total spending by Canadians in the U. S. is slightly higher than the total spending of U. S. travelers in Canada, even though Canada's population is less than one tenth of that of the U. S.

In overseas countries, traveling Canadians spent $69 millions in 1954. Much of this, of course, is represented by the fares they paid to steamship companies and airlines to take them abroad. In the same year, visitors from overseas countries spent $22 millions in Canada.

Statistics also show a slight increase each year in U. S. travel to Canada, and a greater increase in Canadian travel to the U. S. In the last few years there has also been a tendency for U. S. visitors to increase the average length of their stay in Canada.

Canada's postwar industrial boom has been an important reason for the steady increase in the number of visitors each year. Publicity on oil, aluminum, iron ore and manufacturing developments has made many foreign travelers conscious of Canada as they never were before.